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ZHIVKOV, DELEGATION CONCLUDE SYRIAN VISIT

Officials Meet Counterparts

AU292013 Sofia BTA in English 1743 GMT 29 Apr 85

[Text] Damascus, April 29 (BTA special correspondent) -- This morning the officials accompanying the Bulgarian leader, Mr Todor Zhivkov, met in Damascus with their Syrian counterparts.

Mr Petur Mladenov, Politburo member of the CC of the BCP and minister of foreign affairs, held talks with Mr Faruq Shar', Syria's minister of foreign affairs. Mr. Khristo Khristov, minister of foreign trade, Mr Aleksandur Petkov, chairman of the Central Council of the National Agro-Industrial Union, and Mr Georgi Pavlov, chairman of the Environment Conservation Committee with the Council of Ministers and co-chairman of the joint Bulgaro-Syrian Committee for Economic and Techno-Scientific Cooperation, conferred with Dr Salim Yasin, deputy prime minister in charge of economic affairs, with Mr Sabah Baqjaji, minister of state for planning affairs, with Dr Eng Nawras al-Daqr, minister of tourism, with Mr Mahmud al-Kurdi, minister of agriculture and agrarian reform, with Eng. 'Abd al-Rahman Madani, minister of irrigation, with Mr 'Abd al-Majid Najad, minister of state in charge of environment preservation, and with other Syrian Government and economic functionaries.

They considered a wide range of questions concerning the all-round cooperation and mapped out concrete initiatives in the spirit of the directions given by Mr Todor Zhivkov and Mr Hafiz al-Asad. The talks passed in a businesslike and friendly atmosphere. A number of important documents are due to be signed tomorrow, which will mirror a new more dynamic approach to the all-round contacts. Central among them is the drafted Friendship and Cooperation Treaty, which will be signed by the two party leaders and heads of state, Mr Todor Zhivkov and Mr Hafiz al-Asad.

Closing Talks Held

AU301126 Sofia BTA in English 1055 GMT 30 Apr 85

[Text] Damascus, April 30 (BTA) special correspondent -- This morning Mr. Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council of the People's Republic of Bulgaria, and Lt.-Gen Hafiz al-Asad, secretary general of the Ba'th Arab Socialist Party and president of the Syrian Arab Republic, held their final meeting at the Presidency. The two leaders gave an exceptionally high assessment to the Bulgaro-Syrian summit dialogue and to the results it has achieved.

'Remarkable' Treaty Signed

AU301128 Sofia BTA in English 1057 GMT 30 Apr 85

[Text] Damascus, April 30 (BTA) special correspondent -- The official visit by Mr. Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, culminated in the signing of a remarkable document: The first Treaty of Friendship and Cooperation between the People's Republic of Bulgaria and the Syrian Arab Republic. The treaty was signed this morning at a ceremony at the Presidency by Mr. Todor Zhivkov and by Lt.-Gen Hafiz al-Asad, secretary general of the Ba'th Arab Socialist Party and president of the Syrian Arab Republic.

Delegation Returns to Sofia

AU301813 Sofia Domestic Service in Bulgarian 1730 GMT 30 Apr 85

[Text] On 30 April Comrade Todor Zhivkov returned from his official and friendly visit to Syria. The officials who accompanied him returned, too. Memmbers and candidate members of the BCP Central Committee Politburo, Central Committee secretaries, and other officials were at the airport.

ZHIVKOV SENDS MESSAGE TO TURKISH PRESIDENT

AU301250 Sofia RABOTNICHESKO DELO in Bulgarian 29 Apr 85 p 8

[Text] On board the aircraft, 28 Apr (BTA special correspondent) -- On his way to the Syrian Arab Republic, Todor Zhivkov, chairman of the State Council of the People's Republic of Bulgaria, sent a telegram to Kenan Evren, president of the Republic of Turkey, which reads as follows: "In flying over the territory of our neighbor country -- the Republic of Turkey -- I take advantage of this opportunity to convey to Your Excellency best wishes for personal health and for the well-being progress of the Turkish people. Still vividly remembering our fruitful talks, I would like once more to express my conviction about the need to further develop Bulgarian-Turkish relations in the interests of both our countries and peoples."

ZHIVKOV ANSWERS 28 JAN NEW DELHI DECLARATION

AU292058 Sofia BTA in English 1746 GMT 29 Apr 85

["Message From Todor Zhivkov to Rajiv Gandhi" -- BTA headline]

[Text] Sofia, January 28 (BTA) -- On January 29 this year the heads of state or government of Argentina, Greece, India, Mexico, Tanzania and Sweden adopted a declaration in New Delhi, which was sent to the heads of state of the five nuclear powers, as well as to other heads of state and government. In reply, Mr Todor Zhivkov has sent the following message to Mr Rajiv Gandhi, prime minister of India, who hosted the meeting:

"I am sincerely grateful for the message you have sent me in connection with the New Delhi declaration of January 28, 1985 of heads of state or government of India, Argentina, Greece, Mexico, Tanzania and Sweden.

"In my message to you of March 8 this year, I have already had the opportunity to hail this remarkable document which takes up and expands the May 1984 initiative and enriches it by new dimensions. It comes at an important, I should say, a turning point for the future development of the international situation.

"I share the concern which the New Delhi declaration voices over the fate of mankind, prompted by the nuclear threat impending over the world. This concern is universal, because the peoples are becoming increasingly aware of the disastrous consequences of a nuclear war.

"I fully support the ardent appeals to defend and guarantee the sovereign right of every human being -- the right to life.

"These appeals are in complete harmony with the aspirations of the Bulgarian people and with the policy of its government, whose chief concern has been and still is the removal of the nuclear conflict threat, the consolidation of world peace and security.

"Prevention of outer space militarisation, comprehensive nuclear test ban, freeze of the qualitative and numerical nuclear buildup, halting the nuclear arms race, elimination of nuclear arsenals, relocation of the huge resources currently spent on weaponry to the sphere of socio-economic development: These appeals of yours have found their place in the large-scale peace initiatives of the socialist community countries, the People's Republic of Bulgaria included. It is a well known fact that our countries sincerely and invariably seek the undertaking of tangible and effective measures towards nuclear disarmament. The establishment of nuclear weapons-free zones offers considerable possibilities to reduce the nuclear threat. Our country makes consistent and persevering efforts towards the practical realization of this idea in the Balkans.

"We would like to believe that the appeals contained in the New Delhi declaration will meet with the same positive response from all countries to which they have been addressed, which is a condition to reach concrete agreements on these vital issues. We are convinced that positive results can be achieved, provided there is goodwill and honest approach, provided no attempts are made to disrupt the military balance, provided due respect is paid to the legitimate interests and the security of each country. An essential requirement in this respect is that the states, especially the nuclear powers, should adhere to certain norms of conduct in international life, should avoid all actions which are at variance with the priority of our time: the prevention of a nuclear catastrophe. A large step forward in this direction would be made if all nuclear states followed the example of the Soviet Union and pledged no-first-use of nuclear weapons.

"The objective to prevent the militarisation of outer space is becoming particularly important and topical today. Otherwise, no matter what theories are propounded, in practice it would come to an uncontrollable arms race in all fields, which would irreparably harm the cause of international peace and security. In this connection we welcome the new series of talks between the U.S.S.R. and the U.S. in Geneva. We are firmly convinced that the chief prerequisite for their successful course is the strict adherence by the sides to the agreement reached on the subject and the objectives of the negotiations: to discuss the whole range of questions concerning space and nuclear weapons, both strategic and medium range ones, in their mutual relation, to prevent the arms race in outer space and to halt it on earth, to realize a complete and comprehensive elimination of nuclear weapons.

"We believe that it is possible to remove the nuclear threat, to effect a U-turn towards detente. This is the only reasonable alternative facing mankind today. The fate of peace is largely dependent on the concerted action and on the cohesion of all peoples, on their will and determination to say firmly 'No' to the disastrous arms race. We are convinced that the New Delhi declaration and the appeals contained in it will give a fresh impetus to the struggle for the prevention of nuclear war, to the peoples' active work for the sake of the supreme weal, life."

FINLAND'S PRESIDENT ENDS VISIT; ACCORD SIGNED

AU251915 Sofia Domestic Service in Bulgarian 1730 GMT 26 Apr 85

[Excerpt] The official visit of Finnish President Mauno Koivisto to Bulgaria, has ended. He paid this visit at the invitation of Todor Zhivkov, chairman of the State Council. During the last day of his visit on 25 April Mauno Koivisto toured the economic and chemical plant in Botevgrad, which is cooperating with Finnish firms.

The ministers of foreign affairs of the two countries, Petur Mladenov and Paavo Vayrynen, signed an agreement between Bulgaria and Finland in connection with avoiding double taxation of incomes, which will greatly facilitate our trade exchange.

30 APRIL STATE AWARDS CEREMONY SPEECHES

Hoffmann Opening Address

LD301315 Prague Television Service in Czech and Slovak 0755 GMT 30 Apr 85

[Opening speech by Karel Hoffmann, CPCZ Central Committee Presidium member and Central Trade Union Council chairman, at annual award giving ceremony at Prague Castle, on 30 April -- live]

[Text] Esteemed Comrade General Secretary of the CPCZ Central Committee and President of the Republic; esteemed guests, dear and esteemed comrades:

I cordially welcome all of you to this festive meeting, which is taking place, as is traditional, on the eve of the festival of labor and international solidarity of the working people in the Spanish Hall of Prague Castle. Today, too, we are paying tribute to those who have made a special contribution to the successful development of the national economy, sciences, arts, and to society.

During the past year, which was filled with the creative effort of millions of working people aimed at fulfilling the tasks set in the Seventh Five-Year Plan, and pledges made in response to the appeal of the CPCZ Central Committee, the National Front Central Committee, and the CSSR Government, we achieved more than one important success and recorded a multitude of new examples of working selflessness and heroism of our people.

This year's celebration of honest, enterprising, and creative work is taking place at a time when we are marking the 40th anniversary of the culmination of the national liberation struggle of the Czechoslovak people and the liberation of Czechoslovakia by the Soviet Army. It is linked with taking stock of the results of the road we have traversed since May 1945 and with the resolute struggle waged by the socialist countries and other progressive forces of the world to preserve peace.

Each successive year brings not only ever new proofs that working people regard the construction of socialist society as their own, as a matter of their vital interest and their responsibility, but also testimonies of how the CPCZ and the whole society respect those who have achieved the greatest successes. This is the case this year, when an especially large number of collectives and individuals will be deservedly honored. The best of them are in this hall today and will receive highest orders, honorary titles, and state prizes. It is you, esteemed comrades, whom we welcome here with great pleasure. We also welcome members of your families and other guests, members of the diplomatic corps, and foreign participants in the coming May Day celebrations.

Comrades, I declare the meeting opened and ask Comrade Strougal, CSSR prime minister, to deliver the festive address.

Strougal Speech

LD301247 Prague Television Service in Czech and Slovak 0806 GMT 30 Apr 85

[Speech by CSSR Federal Premier Lubomir Strougal at 30 April ceremony in Prague Castle to present state awards -- live]

[Text] Dear Comrade General Secretary of the CPCZ Central Committee and President of the Czechoslovak Socialist Republic; dear comrades, friends, and guests:

In keeping with our marvelous tradition, we meet again on the eve of May Day, Labor Day, in surroundings that symbolize our statehood and bring to mind both the good and bad times in the history of both our nations, to pay tribute to honest and creative work, to acknowledge the high value of scientific and technical skills and artistic mastery, and to appreciate the merit of those who work devotedly in political and public functions.

Our meeting this year is all the more important because it takes place on the eve of the 40th anniversary of the rebirth of our state, the common home of Czechs and Slovaks and members of other nationalities. How much joy and hope 1 May 1945 brought our country! Those of us who recall those days not only witnessed, but also directly participated in, the birth of the new CSSR, a country that has been subjugated many times but never vanquished.

Neither today nor in the future must we ever forget that the beginning of the new era in the development of our people exacted an extremely cruel toll. Our freedom and our new road were paid for with the blood, the lives, and the suffering of the best sons and daughters of our nations. They were paid for with the blood, the lives, and the immense, almost incredible, suffering of the people of the fraternal USSR, and the soldiers of its glorious Red Army.

We set ourselves the historic task of adapting our country to the likeness and the needs of the working man, and of sparing no effort to establish a socially just order. Before us rose the dawn of a better future, not merely for the chosen few as in the past, but for all the people, for the people who took the affairs of their country into their own hands in order to decide once and for all their present and future life. The people chose consistently and without hesitation the socialist path of development, the path of hard and conscientious work, of a contented life, and also of the guarantees provided by the new social order to which our fathers and forefathers aspired and for which they fought.

Our country chose unequivocally the path of social progress, the security of the socialist community, side by side with the first workers and peasants state, the Land of the Soviets, our most faithful brother and friend.

It is only natural for us on important anniversaries to cast our thoughts and minds, if only for a moment, back to the past. In doing this we count the steps we have taken, we survey the feats already accomplished, and again we rejoice at all our successes. We recall the memory of those who did not live to see the years that have passed so quickly, years that have weathered and gnarled our hands and silvered our temples in contending with the history through which we have managed not only to live, but also to create.

At this festive time our greetings and acknowledgement belong also to all those comrades who fought for our life today in the years of the bourgeois republic, against fascism, and to those who took and continue to take an active part in the ranks of the CPCZ and the other political parties and organizations of the National Front in the building of socialism, many of whom do not rest on their laurels even on reaching well-deserved retirement.

We have lived and continue to live in the truth of the revolutionary era described succinctly in the work of our historians and celebrated more colorfully by many writers and poets; an era unprecedented in the history of our country, which dates back thousands of years, a proud era -- one in which we accomplished work that has stood us in good stead even today and will no doubt be appreciated by the generations to come.

It is a good custom at moments such as this to cite all kinds of data, percentages, and growth figures. They are a record of the great transformations in our country, the unquestionable progress of our agriculture, and an index of the social guarantees whose existence is the most convincing testimony to the nature of the country which we are adapting day by day for a better life for the people who live here. Any one of us could give his own account of how the present traditions of building socialism were born, and of how the new man was formed and grew out of the process of all these revolutionary changes. None of this was achieved without a price; none of it came about of its own accord. A great deal has been achieved, but there are other things which remain to be completed. To be honest, there have been mistakes, fumbling in the dark, lack of continuity, and attempts by reactionary forces to turn back the wheels of history.

The sources of the social progress already achieved are deep, the socialist changes and proven abilities of our people are profound. Among the most important of these are the traits of patriotism and socialist awareness which have been, and continue to be, the driving force of all our efforts. From these stems the best of what we have achieved in the CSSR in the past 40 years.

In our socialist society, work is the guiding sense and meaning of our life, in which we give our best for the success of the common cause. If it is primarily work that provides the life-giving force for the historical progress of mankind, then this applies even more so in the socialist social order, which aims, and needs to prove, that it is the best and the most productive. That is why we strive to link the work of each individual with the efforts of society as a whole; these efforts will go on to produce new historic accomplishments, a new society, a new man, and a new era which will outstrip everything that civilization has so far attained in the course of its history.

It is a joy and an honor for us to gather in the midst of those like you who are about to be presented with awards and state distinctions, to greet our heroes of socialist labor, our national artists, the very best of the best. You stand in the front ranks of the working people, you tackle the difficult tasks of our time, you make difficult tasks a pleasure, you take challenges in stride, and you turn the progressive into the revolutionary.

We pay tribute to your outstanding work, whether in factories or in the fields, in design bureaus or in scientific laboratories, or in planting new seedlings from the fruitful tree of our socialist culture and art. This is what confirms the truth of the socialist man of our era -- awareness and creative flair, professional skill, and human commitment run in his blood. Every true feat of yours is a challenge, an example worthy of emulation. It has contributed to our efforts for the best results and entered the mind of all those whose common ideal is socialism. That is the main contribution of any great work -- to stimulate them, to stir into action those who have so far been mere onlookers, and those who sit back craftily waiting for someone else to provide for them, to stimulate oneself and others, especially the young generation which is bursting with natural vigor and the ability to see things in a new way, free from ingrained stereotyped attitudes.

We know that the exceptional results you have achieved have grown from such an attitude. This is why our warm thanks go to you for what you have done, for all those years of worry, for sleepless nights and conflicts, for obstacles overcome, because nothing great is born out of inertia, without effort and sacrifices. In socialism, too, there is a need to display courage, to struggle for progress, to conquer heights where inertia sometimes strikes. This is because the future belongs only to those who are courageous and because feats are only accomplished through enthusiasm.

At the same time, our thanks go to those who have stood next to you ready to give support, who have given you encouragement, who unselfishly extended their hand when strength was diminishing and courage was losing its sense of direction and daring. We are thinking of all those who are close to us, your colleagues, the spouses accompanying you through life, your families -- because they, too, made their contribution by being close to you, and their support contributed to the success of the good cause.

Esteemed comrades, dear guests, we are entering a period of new resolutions. We are completing the last year of the present 5-year plan and also the challenging aims set by the 16th CPCZ Congress, which decided in the interest of the construction of advanced socialist society to speed up the transition of the national economy on to the path of intensive development. Only in this way can we proceed further and multiply the country's wealth. We understand well the role and significance of economic development for our future, for the full and contented life of our people, and also in order to be able to honorably discharge our internationalist responsibility toward the international working class and working people in their struggle for peace and a socially more just arrangement of the world.

Our struggle with capitalism in the field of productivity of labor goes on and is concentrated more and more in sciences and technology and, together with this, also in continuous improvement of the management and organization of labor. In this sense, the issue is once again man, his awareness, tenacity of purpose, and resolve, a man freed from anachronisms of all kinds, overcautiousness, indolence, perfunctory practices, complacency, and conceit -- because conflict between words and actions is born out of them -- unfulfilled plans, falling behind the progress around us, as well as losing the confidence of the people and belief in the ideal of our time.

The conditions in which we work are new and we therefore need new thinking, new daring, and new courage in order to achieve through maximum application of scientific and technological progress a high degree of effectiveness and quality of work. We are deciding today what our future will be like in 10-20 year's time, whether we shall cope successfully with the requirements of the time and shall successfully achieve the aims set by our Communist Party in the interest of all working people. This is why, at a time when we are solidifying our plans, projects, and intentions for the next period of building advanced socialism and setting them in detail, we are turning to the people, workers, farmers, and the intelligentsia, to our nations because this society will achieve nothing that has not also become their belief, their conviction, and their ideal.

In this struggle we are not and shall not be alone. The fraternal community of the socialist countries, our allies, and primarily the USSR, are following the same road on their march. In them we have firm support, and our joint weight, authority, and strength is an unshakable guarantee of our security.

This awareness is important at this very time when we hear from our western borders the old yet fresh voices of revenge and war, as if there were not enough bitter experiences 40 years ago. There are still around us forces that have not learned the lessons of World War II. This is why, in their monstrous fantasy about world domination, they are accumulating more and more weapons on land, sea, air, and even in space. They are threatening us; they are threatening our allies and friends. They do not want to admit that in a global war of this epoch there would not be, and, indeed, could not be, any victors.

TEXT Socialist society is a world of peaceful construction; it threatens no one. Socialism is a synonym for peace. What we say bluntly to the real enemies of peace and cooperation between peoples, however, is this: We will certainly defend what is ours! That is why we confirmed last week in Warsaw, when we extended our 30-year old treaty, that the defense alliance of the European socialist countries embodied in the Warsaw Pact is always ready to guard and promptly defend the revolutionary gains we have made in the socialist community and which we wish to further extend in peace for the good of our peoples. That is what we agreed on in unity, and in unity that is what we shall do.

Comrades, dear friends, allow me to conclude by congratulating you sincerely once again on the high honors which you are receiving today, on behalf of the CPCZ Central Committee, its general secretary and the president of the Czechoslovak Socialist Republic, Comrade Gustav Husak, on behalf of the National Front Central Committee, the Central Council of Trade Unions, the federal government, and the governments of our two republics. At the same time, I thank you from my heart for everything you have done for our country and its people, for the way in which you have broadened our horizons and prospects.

May you continue to achieve success in your work. May your hands and minds, your brains and skill accomplish ever newer creative feats for the benefit of the further prosperity of our beautiful country, the Czechoslovak Socialist Republic! [tumultuous applause]

HOFFMANN LEADS TRADE UNION DELEGATION TO USSR

For Soviet reportage on a visit to the Soviet Union of a Czechoslovak Revolutionary Trade Union Movement delegation led by Karel Hoffmann, CPCZ Central Committee Presidium member and Central Council of Trade Unions chairman, see the Eastern Europe section of the 26 April Soviet Union DAILY REPORT and subsequent issues.

DEPUTY PREMIER LUCAN LEADS DELEGATION TO CUBA

For Havana reportage on a visit to Havana by Czechoslovak Deputy Premier Matej Lucan and an accompanying delegation, including meetings with Cuban Minister of Culture Armando Hart, see the Cuba section of the 30 April Latin America DAILY REPORT and subsequent issues.

DEPUTY TRADE MINISTER JAKUBEC VISITS CYPRUS

For Nicosia coverage of the visit to Cyprus by Deputy Foreign Trade Minister Jaroslav Jakubec, including his meeting with Cypriot President Spiros Kiprianou, see the Cyprus section of the 29 April Western Europe DAILY REPORT and subsequent issues.

KADAR SPEAKS AT FACTORY ON PRODUCTION, INCOMES

LD302215 Budapest Domestic Service in Hungarian 1630 GMT 30 Apr 85

[Excerpts] We begin with a report on Janos Kadar's visit to Angyalfold. Julia Tardos reports:

[Tardos] The traditional visit to Angyalfold contained a busy program. The general secretary visited the Angyalfold local history collection. The guest was guided by Dr Endre Gerelyes, one of the compilers of the exhibition. The visit continued at the auto-electrical appliances factory on Vaci Road. Dr Dezsoe Visi, director, and Peter Molnar, party secretary, accompanied by many others, welcomed the guest. After a brief tour of the workshop, a mass meeting was held. Shop Steward Lorant Simon spoke about factory activities and results.

[Begin recording] [Simon] I would now like to ask Comrade Kadar to speak to the participants at this workers' meeting.

[Kadar] Dear women comrades and comrades: First, I would like to express my thanks for the invitation and, second, to do the same for the cordial hospitality. Third, I would like to say that I have come here gladly and with pleasure. To me this is at least as important as conveyed on your behalf by the comrade who spoke before me. Although I am not familiar with your precise figures -- I do not know them by heart -- we still know a bit about this factory because what you are doing here is of national importance. Your production value is great, about 1.5 million forints. Within this, there is a great export output, and all can be detected in the economy of the country as a whole. So when I congratulate you I also thank you for your work and wish you all good health and further successes. Please pass on my greetings, good wishes, and congratulations if you get a chance, as these do not just come from me, but are on behalf of the MSZMP Central Committee.

You mentioned a few words about incomes. I am happy about this for two reasons. I am not just happy about what you said here in front of the whole collective, and what some individual workers said themselves, but also because our resources, the sources of our prosperity, naturally consist of the means of production at our disposal, and, to a much greater extent, they consist of the people who work these machines and are developing and improving production. This is our source of strength -- our society is a society of labor.

In our country there was a change of fortune in the life of our people 40 years ago. It was a positive change: A new society was born, a society at whose birth we, perhaps naively, did not see a lot of things quite accurately. This is how we came to declare many achievements, but we did not always lay their foundation with work. Yet there is no other source.

Our party congress discussed, it seems, all important issues openly, exposed the situation, and spoke about the very hard years that are behind us, years through which we struggled with success; there is now a firm foundation on which to stand and work, and we can now say that slowly and with the proper work we will start climbing upward, slowly and gradually.

First, we must move forward a little on the path of production and, together with this, production workers should have a better life. Some people say that the lean years are behind us, others ask whether this is so. It is true that they were very difficult years, but if you have a look at the average Hungarian, he managed to live through these lean years fairly reasonably and in tolerable conditions.

The most important lesson to draw is that we should first create the foundations and then we can create even better living conditions for us all. This is the essence of our congress' message to the country. Many difficult tasks were discussed, but in our experience our working class, our working people understood the message of the congress, and the 40th anniversary of our liberation took place in a balanced and good atmosphere. I hope that tomorrow, the great international red letter day of the working class, the day of international solidarity, May Day will also be conducted in this manner.

It is just as well that the list was not continued and only the elections were mentioned because there is an abundance of work [laughter] and we hardly finish one thing when we have to start on something else. But that is life. The person who snoozes misses the train. We must work. Searching for the right phrase at the congress, I said that it was not that we had to work more, but rather that we had to work better. It is not brawn that is needed now, but brains, as well as order, discipline, and a sense of duty; everybody should do their own share because that is the way we can prosper. Only together, in unison, honestly expressing what we are talking about and what the purpose of work is, can we prosper, with joint effort. For this we need the will, unity, alliance, and one more thing: peace

You also know that we have a packed agenda. Last Friday I was still in Warsaw for the purpose of strengthening the security of our people and peace, and that is what I did. The Warsaw Pact is our shield. We do not want to attack anybody nor to occupy someone's land, but we will not tolerate our life being disturbed from the outside. This is why we gathered there and made our decision in an appropriately allied spirit. Thus, we can look forward to the future with faith. The world is complex -- it has always been complex -- but work and honest struggle always produce their own fruits. You can experience this in your own work, as well as on the national level. So these are the things I wanted to mention in a few words. I thank you again for your warm hospitality and wish you all, the entire factory collective, good health and further successes. Thank you. [applause] [end recording]

NEPSZABADSAG EDITORIAL VIEWS PACT EXTENSION

AU301119 Budapest NEPSZABADSAG in Hungarian 27 Apr 85 p 1

[Editorial by Peter Vajda: "Alliance for Peace"]

[Text] The news coming from the Polish capital is about an important and outstanding event: the extension of the Warsaw Pact, established 30 years ago.

Perhaps 30 years are not so long if measured on a historical scale, but it seems as if the great movements of history have accelerated in these 3 decades: Many things have happened in this period. However, the most important thing is what has not happened: There has been no war in the many tempests that Europe has witnessed. The role of the alliance, which has now been extended in the same place where it was signed, cannot be overstated.

In order to be able to appreciate and evaluate this role, one must inevitably recall that period when the eight socialist countries established their own defense organizations. We must begin with the preliminary events: The terrible wounds of World War II had hardly healed when, on 4 April 1949, the foreign ministers of 12 Western countries established NATO.

It was therefore not the USSR, nor the young people's democracies that divided Europe! NATO, and later the establishment of its military organization, meant the accomplishment of the anticommunism that Thomas Mann called many years ago "the fundamental stupidity of our age." This was at a time when the U.S. military leadership assisting NATO was still playing with the idea of turning the cold war into a hot one, when it still trusted in the permanence of its nuclear superiority, and when it was preparing plans based on this. (Some of these preparations plans surfaced in the past years as well as the secret document according to which an invasion division was to be stationed in Budapest following the "nuclear world war.") The establishment of the bloc dividing up Europe was indivisible from these dangerous military plans, and the creators of NATO wanted from the very beginning to also place in the service of their goals the military forces of the common enemy of yesterday. Unfortunately, the NATO creators found partners in the West German leaders of that time. Ex-Chancellor Konrad Adenauer noted in his memoirs how he offered the rich combat experience of the German generals who fought in the USSR to U.S. High Commissioner McClory. "I asked him to consider whether it would not be appropriate for these experts, who possessed an objective capacity of judgment, to occupy military posts within the Western alliance. The high commissioner promised to study my proposal."

The inclusion of the FRG in NATO was carried out in May 1955, and with this a new dimension of the threat had developed. The leaders of several European socialist countries were forced to come up with an answer to this by establishing their own organization of friendship, cooperation, and mutual assistance. The unity of ideals, fundamental goals, and interests gave rise to the cooperation of our states and their defense alliance in that situation, after they had waited more than half a decade to respond. And this answer was extremely moderate by any standard. A totally defensive organization was established that was not directed against any other country; the Warsaw Pact itself made it clear from the very beginning that it was ready to eliminate its organization and its operation simultaneously when NATO did so.

There are two determining features of the overall activity of the Warsaw Pact to date. On the one hand, it has contributed to the creation of the military-strategic balance with the states belonging to NATO; the fact that this approximate balance of power has come into being and exists is a fundamental stabilizing force in world politics. Therefore, 1985 is not 1949 -- even if the international situation is tense -- and today even those politicians who are extreme enemies of socialism cannot consider "a nuclear blitzkrieg." The activity of the socialist countries belonging to the alliance did not stop, however, with this. Together and individually, they have made repeated and constant efforts for the consolidation of peace and international security and for the elimination of the arms race, which is devouring the resources and the energy of mankind, and which is becoming increasingly dangerous. Their initiatives were based on common sense and realism, and the mutual consideration of each other's interests, and were not directed at acquiring power, superiority, or unilateral advantage. In this respect, all these proposals and initiatives express the novelty of the appearance of the community of the socialist countries in international relations. (Already the founders of Marxism have stressed that certain ethical principles and moral values can serve as efficient means for the working class in dealing with international affairs. It is enough to refer to that famous appeal of Marx in which he called on the workers "to advocate that the simple laws of morality and justice that should govern the relations among private individuals, become also the main rules of contacts among nations.")

Let us remember here and now the number of initiatives of the appeal of the Political Consultative Committee approved in Budapest in 1969. From there the road led to Helsinki and the proposal about which the secretary general of our party also spoke at the 13th MSZMP Congress:

The Warsaw Pact proposed more than 2 years ago that the states of the two alliance systems sign an agreement in which they renounce the use and threat of force; at any moment we would be ready to sign such a document, one that would strengthen confidence and increase the chances of an agreement among our countries. How different the European political atmosphere could be if truly constructive replies had been given to this proposal -- and to the approximately 30 additional proposals made by the socialist countries in recent years.

The allied countries started from the realities of the world today when they took a position in favor of expanding further cooperation and contacts, and uniformly approved the extension of the Warsaw Pact. Hungary started from this, too, as it is its conviction that the pact is a trustworthy support for our socialist construction work and fully coincides with our national interests. That is why Janos Kadar's signature representing our country is already there on the document extending the term of the pact.

The communique issued on the meeting makes particularly clear the precepts on which the alliance was extended: The participating countries, strengthening their defense alliance, are at the same time increasing the struggle for peace, disarmament, and for a safer Europe -- for the elimination of the opposing military blocs. They confirm again that they are not striving to attain military superiority, only to maintain the balance of power, and at the lowest level possible. This also means that there should be no "star wars" weapons "up there," and as few as possible of the most destructive and most dangerous weapons "down here," and that having achieved this, it will be possible to advance further.

The passage that deals with the lessons of World War II and the bloodshed that ended 40 years ago, in particular, will say a great deal to the future historian. The countries and the peoples whose representatives have made this decision in Warsaw have all known war -- not by hearsay, rather they lived and suffered through it. They know that the war that we want to avoid would be even more terrible.

"The memory of the fallen, and responsibility for the existing and coming generations' destiny do not permit the lessons of war to be forgotten. In the current international situation -- more than ever before -- it is necessary to unite the efforts of all peoples and states, all peaceloving forces irrespective of their political position, in order to halt the drifting of the world towards a nuclear catastrophe."

In other words, we are talking here about more than the maintenance of the defense efforts at a common level, and about more than the inevitable drawing of conclusions logically dictated by the present moment. In Warsaw the future was discussed, too, and in the name of common sense and realism an appeal emerged for cooperation -- partnership if you like -- with all those who share in the responsibility towards the existing and future generations' destiny. Mankind awaits the answer.

FURTHER REPORT ON KADAR-DASCALESCU 24 APR TALKS

LD241037 Budapest Domestic Service in Hungarian 1000 GMT 24 Apr 85

[Text] Janos Kadar, MSZMP general secretary, today received at the headquarters of the Central Committee Constantin Dascalescu, RCP Political Executive Committee member and government chairman of the Socialist Republic of Romania, who is currently in Hungary on an official friendly visit.

At the meeting, which took place in a comradely atmosphere and was attended by Prime Minister Gyorgy Lazar, views were exchange^d on the development of Hungarian-Romanian relations. Janos Kadar stressed that the ZMP was striving for the development of political, economic, and cultural cooperation, the expansion of contacts among the population, and to assert the role of the nationalities in strengthening friendship between our peoples. It does everything to ensure that progress can be made in every area on the basis of agreements in force and in accordance with mutual interests. The discussion was attended by Miklos Barity, our country's ambassador in Bucharest, and by Nicolae Veres, Romania's ambassador in Budapest.

Early this morning Prime Minister Gyorgy Lazar held exclusive talks with Romanian head of government Constantin Dascalescu, who is currently in our country on an official friendly visit.

HUNGARIAN-ROMANIAN TOURISM ON THE RISE

AU231032 Budapest MAGYAR NEMZET in Hungarian 22 Apr 85 p 4

[Summary] -- Almost 1 million tourists from Hungary visited Romania last year. There has been an increase of 16 percent in Hungarian tourism to Romania but organized tourism decreased by a quarter. There has been a particular increase in the interest in individual trips as Hungarian tourists travel mainly to promote family relations, but the geographical beauty of the country is also an attraction. To avoid the limitations caused by the fact that Hungarian drivers, like other foreigners, could only buy gasoline for convertible currency, an agreement has recently been reached allowing Hungarian drivers to buy gasoline in Romanian currency.

There has been an increase in the number of Romanians visiting Hungary as well, with Budapest and Lake Balaton high on the list of priorities for Romanian tourists. More attention must be paid to the exploitation of tourism possibilities provided by the border area facilities of the two countries.

REPORTAGE ON SARLOS, BENYI VISITS TO USSR

For Soviet reportage on the activities of Istvan Sarlos, chairman of the National Assembly, and J. Benyi, deputy foreign affairs minister, in the Soviet Union, see the Eastern Europe section of the 30 April Soviet Union DAILY REPORT and subsequent issues.

FALUVEGI CONFERS WITH SOVIET PLANNING CHIEF

For Soviet reportage of the visit to Moscow by Lajos Faluvegi, Hungarian Council of Ministers deputy premier and National Planning Office chairman, including his talks with N.K. Baybakov, USSR Council of Ministers deputy chairman and Gosplan chairman, see the Eastern Europe section of the 1 May Soviet Union DAILY REPORT and subsequent issues.

GOVERNMENT CRACKS DOWN ON DISSIDENT ACTIVITY

Solidarity Leaders Arrested

AU301056 Paris AFP in English 1052 GMT 30 Apr 85

[Text] Warsaw, April 30 -- Three close associates of Solidarity leader Lech Walesa were taken in for questioning in Gdansk yesterday and were still being detained today, Solidarity sources said. The arrests came on the eve of demonstrations which the underground leadership has called for tomorrow to counter official May Day celebrations. The three -- Konrad Maruszczyk, Piotr Konopka and Bogdan Olszewski -- were arrested at their homes. There had since been no news of them.

Solidarity sources also said militants had been taken in for questioning in other areas. They said 11 former Solidarity officials had been arrested and kept in custody for 48 hours in Plock 100 kms (62 miles) on April 22 and 23 before being released. They had been taking part in a hunger strike in support of political prisoners at Glogowiec in the same region. Two people had been questioned at Kutno, 100 kms west of Warsaw on April 24 and 25 and in Warsaw itself, Antonio Pietkiewicz, former Solidarity leader of Kalisz in central Poland, was taken in for questioning and his home searched.

Walesa Sends Protest to Sejm

AU301605 Paris AFP in English 1558 GMT 30 Apr 85

[Text] Warsaw, April 30 (AFP) -- Lech Walesa, head of the banned Solidarity union, today condemned "mass arrests throughout Poland" on the eve of May Day. In an open telegram to the president of the diet [as received], the Polish parliament, Mr. Walesa said that mass arrests of workers and intellectuals were being carried out and there was an unprecedented "omnipresence" of police.

"What is happening at the moment in Gdansk and other Polish cities demands rapid intervention," Mr. Walesa said, and asked "whether it would not be preferable in this situation to cancel the official May first celebrations rather than celebrate the workers holiday in this fashion." Solidarity's underground leadership has called for counter-demonstrations tomorrow. Thousands of police, Mr. Walesa's telegram said, "have invaded the streets of Gdansk, armed with equipment for fighting people."

Sources close to Mr. Walesa said they did not yet know exactly how many people had been arrested, but that they included three of Mr. Walesa's close collaborators, Konrad Maruszczyk, Piotr Konopka and Bogdan Olszewski, arrested in Gdansk yesterday and still being held. Other sources said members of the Warsaw "Human Rights Committee" were arrested today, as were Solidarity militants Grzegorz Dlugi and Danuta Skorenko after a house search in Katowice. In Krakow, the sources said, many members of the local human rights committee were summoned to police headquarters today for "talks" to have explained to them the risks they run if they take part in counter-demonstrations tomorrow. Two solidarity militants arrested in Krakow last Thursday were still in custody, reports said.

Government Spokesman Jerzy Urban denied meanwhile that the Gdansk arrests and the institution of rapid lower court hearings in towns officially considered Solidarity strongholds were linked with May Day. Stepped-up police activity, he said, must reflect a higher crime rate, and categorised Mr. Walesa's latest remarks as those of "someone trying to draw attention to himself."

URBAN NEWS CONFERENCE ON WALESA, PLATEK, U.S.

LD302316 Warsaw Domestic Service in Polish 2005 GMT 30 Apr 85

[Text] In accordance with a previous announcement, we are now broadcasting a report on a meeting Government Spokesman Jerzy Urban had today with Polish and foreign journalists.

[Unidentified reporter] One of the first questions dealt with the reaction of the Polish Government to the latest statement made by Lech Walesa on the May Day celebrations.

[Begin Urban recording] There has not been, nor will there be, any government reactions to statements made by Lech Walesa, primarily because of political considerations. But even if these political considerations did not exist, it would still be impossible because of technical considerations. Lech Walesa makes statements every day. In General these statements contradict one another, and even if there were a government in Poland that recognized Lech Walesa as a partner, I think that from the technical point of view it would not be able to react to what he says. It would also be unable to do this because, after all, he keeps coming out with things that are different all the time, and strictly speaking one would not know what to reply to. Lech Walesa recently said, for instance, that he would be setting out on a May Day march. He has always been an ardent opponent of such marches and recommended that people instead go for a day out in the country. Generally speaking, I think it is absolutely not the role of the government spokesman to comment, even in a joking manner, on statements made by a person who because of the role he once played cannot come to terms with his present-day status and who tries feverishly to attract attention to himself by making more and more new statements earmarked for Western journalists. [end recording]

[Unidentified reporter] Jerzy Urban was next asked about the attitude of the Polish Government toward the historic person of Jozef Pilsudski and how the government intended to celebrate the 50th anniversary of his death.

[Begin Urban recording] You rightly called Jozef Pilsudski a historic figure, and because of this the attitude toward this person is expressed by the historians rather than the government. Our historians have a very critical attitude to this person, among others [words indistinct] there are reports coming in about planned masses and other church celebrations. These reports prove that there has been a decisive change in the attitude of the church toward this figure, a person who before the war was ardently attacked by the clergy, as there was a crisis in connection with relegating [words indistinct] ashes of Pilsudski. As far as the government is concerned, there is no reason for a change in its attitude toward the person of Jozef Pilsudski. This is a complex attitude because this was a person who no doubt saw his achievements in the rebirth of Poland after the World War I, but whose policy at the same time caused criticism (?and in its various aspects is linked with undemocratic government). [words indistinct] [end recording]

[Unidentified reporter] Next a question was asked about whether it is true that General Platek has been appointed head of the Customs Office.

[Begin Urban recording] No, it is not true that Gen Platek has been appointed head of the Customs Office. Such news has circulated widely among the mass media in the West. The suspension of Gen Platek is still in effect; it was valid until the end of the appeal against the sentence.

Now that the appeal against the sentence in the case of the murder of Father Popieluszko has been heard, his situation probably will somehow, in one way or another, be cleared up. Anyway, Gen Platek is not going to be the head of the Customs Office. [end recording]

[Unidentified reporter] Other questions concerned the situation of Poland in the international arena. Among others, there was a question about the comment of the Polish Government on the visit of the head of British diplomacy Geoffrey Howe to our country.

[Begin Urban recording] We positively evaluate the visit of the British minister of foreign affairs. It was one of the more important signs that the boycott of Poland initiated by the United States is dying out. The boycott and restrictions proved to be senseless and ineffective. We think that the visit will add new impetus to the development of Polish-British cooperation.

We regret certain incidental aspects of the visit contained in its unofficial part. This we so expressed. What happened was that the Western press exaggerated the private contacts and interests of the guest, focusing its attention on them and treating them as the essence of the visit to Poland of the head of British diplomacy. I do not know if such a distorted picture of the stay in Poland, as conveyed by the Western press, accords with the intentions of Minister Howe. The Western press obfuscated the essential sense and course of the visit, thereby feeding disinformation to the population of Great Britain and other Western countries. Some official meetings, which we regretted, were abused by the press, radio, and television in the West to distort the full sense of the visit, which, in our opinion, proves the harmfulness of such incidental private subprograms in the visits of foreign guests from the West. They serve as ammunition for sensational reporting that is contrary to the sense and course of such visits. On behalf of the government I am announcing that we must draw conclusions for the future from this. [end recording]

[Unidentified reporter] One American journalist asked if resumption of air traffic between the PPR and the United States indicates, for the Polish Government, positive trends in the relations between the two states?

[Begin Urban recording] Naturally, we consider it a positive development; however, as we have stressed on numerous occasions, the positive developments in relations that we see from the United States are of a marginal nature compared to the main Polish-American issues broadly laid out to American journalists by General Jaruzelski in a meeting with them.

I would add, as part of defining what is happening and what the prevailing atmosphere is as far as Polish-American relations are concerned, that former U.S. Ambassador to Warsaw Richard Davis suggested at a conference in the United States that the United States should establish relations with the emigre Polish government in London. This is humorous obstinacy which is amazing even for the ramblings of a private citizen; yet this has been publicly presented and seriously treated in America. One is afraid that when a man who represented the United States in Warsaw makes a suggestion that more than 40 years after breaking relations with the former London government, a cabinet of wax figures should be exhumed, then perhaps the policy of the United States will soon be made at seances. [end recording]

[Unidentified reporter] The next question concerned the payment of Poland's debts this year.

[Begin Urban recording] REUTER has reported that talks with the Paris Club on conditions for repayment of our debts have led to an impasse. The meeting held 25-26 April was, as always, of a secret nature, and communiqués are not published; but I have no information which would justify pessimism as expressed in the reports of an impasse.

Talks on this and other issues with the Paris Club continue. I am an optimist. The repayment of debts to which Poland has clearly agreed is linked with ensuring normal financial conditions for Poland. Guaranteed credits have been halted for now untimely political reasons; such acts are economically counterproductive as regards repayment of Polish debts. Poland must have appropriate export-import conditions in order to fulfill its obligations. So the talks continue, and there are no grounds for pessimism. [end recording]

A more extensive report from the conference will be published in the press.

Discusses Amnesty, Dissidents

LD302135 Warsaw Domestic Service in Polish 2100 GMT 30 Apr 85

[Text] A routine press conference by the government spokesman took place in Warsaw today. Jerzy Urban replied to questions about reasons for Professor Geremek's dismissal from the Institute of History of the Polish Academy of Sciences; the date of the trial of Michnik, Frasnyniuk and Lis; and a possible amnesty in connection with the 40th anniversary of the victory over fascism.

Jerzy Urban stated that Professor Geremek was dismissed through normal procedures. The dismissal was justified by activities incompatible with the academy's goals and statute. The date for the trial of Michnik, Frasnyniuk, and Lis has not been fixed. As for the issue of an amnesty to mark the victory anniversary, this issue can be discounted altogether.

There were also questions about inaccurate reports that General Platek has been appointed director of the Office of Customs.

Michael Kaufman, from THE NEW YORK TIMES, asked for details of General Jaruzelski's meeting with Mikhail Gorbachev.

Journalists also asked for appraisal of the Polish visit of Geoffrey Howe, head of British diplomacy; about payments of our debts; and investigations concerning Father Zaleski.

ESTRANGEMENT BETWEEN SOLIDARITY, WORKERS SEEN

LD302027 Warsaw Television Service in Polish 1730 GMT 30 Apr 85

[Text] In the seventies, in the pages of the Paris KULTURA one could read materials on a discussion under the general headline "What Is To Be Done?" Having delivered themselves of their literary outpourings, those that took part in the discussion at long last reached the conclusion that whoever would change the social and political realities in Poland must gain the support of the workers. There is no way without the working class.

A few years later, the selfsame participants in the discussion became the main advisory body to the former SOLIDARNOSC. The word workers was always on their lips. However, this continued to be the case only until they came to hold the view that this dreamt-of change of system in Poland was only just around the corner. Not only did they start to dish out state positions to one another, but, in addition, the language underwent a change: the workers' May Day gave way to weekends spent rollicking in the grass; the working class was replaced by employees. Their vocabulary left no room for a workers party. Since the statute had no room for the word socialism, how could it be otherwise?

When it became clear that it is not possible to turn history back, they again began to frenziedly declaim the words workers' class, May Day. To this very day they shout it from the rooftops, each trying to be louder than another: using American aerials, German paper, French printing ink for dollars, marks, and francs.

There is nothing that we could call ours in what they say and write. After all, in a situation in which the Polish workers struggled -- and frequently continue to struggle -- against shortages of materials, raw materials, spare parts and tools, they give hints to the Western ministers on how they ought to conduct themselves in Poland.

The losses we have sustained are estimated to be in the range of \$15 billion. Each single dollar out of this sum of \$15 billion is to be attributed to them. They shout: We love Reagan! We love America! They sat down to play this game of poker and they played, knowing nothing of the game. But poker is a game that knows no mercy.

In a few days, in Bitburg, Reagan will do his reconciliation act with the SS boys. In all probability, and on behalf of his admirers, he will also reconcile himself with the boys from Poland, too.

The film "Shoah," being released in Paris cinemas, an insult to us, will probably not be to their liking, either. After all, the right-wing French trade union confederation force OUVRIERE helps them a great deal. Both the film and Bitburg are political facts, committed by the political allies of the so-called Polish underground. You cannot shout down these facts, no matter how loud you shout. You cannot, on the eve of yet another May Day holiday, shout workers and Poland.

Citing Bem, Dabrowski, or Kosciuszko will be to no avail, either. Bem was a hero of the peoples spring. Dabrowski's struggle on the barricades of Paris gave Marx the basis for his thesis on the dictatorship of the proletariat. As for Kosciuszko, he never allowed Napoleon to make use of him in his political game. That is Polish history. The little group of our vicious opponents has nothing in common with it, either.

DANUTA WALESA TO VISIT ITALY, COLLECT PRIZE

AU301106 Paris AFP in English 1101 GMT 30 Apr 85

[Text] Warsaw, April 30 (AFP) -- Danuta Walesa, wife of Solidarity leader Lech Walesa, will go to Italy on May 3 to receive the "1984 Courage" prize awarded by the Association of Italian Women Voters. The prize, which will be awarded in Brescia, northern Italy is given annually to a woman for "moral integrity, sense of sacrifice and family and social and political commitments." Mrs Walesa said that while she was given a passport for the trip, her friend Aurelia Polsanska, a schoolteacher friend hoping to accompany her, had so far not received one.

OLSZOWSKI, DPRK'S KIM YONG-NAM EXCHANGE TOASTS

AU291324 Warsaw TRYBUNA LUDU in Polish 24 Apr 85 pp 1, 7

[Report on speeches by Foreign Minister Stefan Olszowski and DPRK Foreign Minister Kim Yong-nam at the 23 April Warsaw reception in honor of the latter]

[Text] Olszowski: S. Olszowski said that the official visit to the PPR by the DPRK foreign minister was an important event in Polish and DPRK relations of friendship and cooperation.

We Poles, he said, have always admired the Korean people's struggle in defense of their independence and against the brutal aggression of U.S. imperialism. We are pleased with the DPRK's achievements in peaceful construction and we realize how extremely difficult it is to build a socialist society under conditions of permanent threats. That is why, as members of the Supervisory Commission of Neutral States, we wish to make our modest contribution toward preserving peace in the Korean peninsula.

Discussing the international situation, S. Olszowski stressed that serious threats to peace in Europe, Asia, and throughout the world continue. The anticommunist crusade proclaimed by Washington, efforts to change the world balance of power in favor of imperialism through an arms race, the revival of revisionist and revanchist trends, the questioning of the postwar territorial-political order, and the policy of economic sanctions and propaganda aggression against socialist countries are a constant source of threats. That is why all socialist countries should jointly oppose these dangerous trends in international relations. These countries have often showed their goodwill in ensuring international security and in preventing a nuclear war. The USSR's recent announcement that it has unilaterally halted until next November further deployment of medium-range missiles and has stopped implementing other countermeasures in Europe is an outstanding example of this. S. Olszowski stressed that Poland has made further crucial progress in domestic stabilization and consolidation since the DPRK foreign minister's previous visit to Poland.

Kim Yong-nam: Expressing his thanks for the cordial reception in Warsaw, Kim Yong-nam stressed that traditional friendship and a desire for further development of bilateral relations link the PPR and the DPRK. He stressed the importance of last year's visit to Poland by DPRK leader Kim Il-song and his talks with Wojciech Jaruzelski for the development of DPRK-Polish friendship and cooperation. He also stressed that our countries are linked by resolve to make unceasing efforts toward expanding and improving our relations of friendship and cooperation in the fields of policy, economics, and culture, and praised our two countries' contribution toward preserving and consolidating peace and security in the world.

In the name of the DPRK Government, Kim Yong-nam conveyed to the Polish people wishes for further progress in the struggle to strengthen socialist Poland, to improve living standards, to stabilize the country, and to promote the socialist system.

Discussing the DPRK's socioeconomic development, Kim Yong-nam said that the DPRK people have continued to achieve successes in all fields of socialist construction and to prepare for the celebrations to mark this year's 40th anniversaries of their homeland's liberation and the establishment of the Workers Party of Korea.

The DPRK foreign minister expressed complete support for and solidarity with the just struggle of the Polish party, government, and people against the pressure and interference exerted by the West, lead by the U.S. Administration. He also recalled the DPRK's proposals for peaceful unification of the country and expressed the conviction that it will be possible to achieve this goal with active support and help from all peace-loving nations. He extended thanks to and praised the Polish party, government, and people for their unchanging support for the DPRK's efforts to unify the country through talks and agreement.

4th ZSMP CONGRESS DEBATES HELD IN WARSAW

Opening Reported

LD261234 Warsaw PAP in English 1131 GMT 26 Apr 85

[Text] Warsaw, April 26 -- The 4th Congress of the Union of Polish Socialist Youth (ZSMP) started its debates here today.

The debates are attended by more than 1,600 delegates who represent all youth milieus. The agenda of the first day of debates provides for amendments to the ZSMP statutes and election of authorities.

Jaruzelski Speaks

LD301254 Warsaw PAP in English 1106 GMT 30 Apr 85

["Wojciech Jaruzelski's Address (Abridged)" -- PAP headline]

[Text] Warsaw, April 29 -- You were speaking frankly, boldly, zealously, and sometimes, even with anger. It is a good sign. It arouses hope and proves that the party has and will have a valuable ally in its struggle and work for socialist Poland.

You belong to that part of the generation that counteracted destructive slogans of opponents of socialism and does not accept thoughtless dejection and passivity. This has always been the tradition of the revolutionary movement of Polish youth and the identity card of all the predecessors of the Union of Polish Socialist Youth (ZSMP). And your actions are filled with such a content to an ever greater extent.

Your union was deeply affected by crisis convulsions. But the opponent failed to break it. In the stormy year 1981, the 3d Extraordinary ZSMP Congress firmly came out in favour of socialism.

Today's debates close the period of congresses held by socialist youth unions. They confirmed favourable phenomena, but also shed a strong light on the magnitude of problems and the sharpness of tasks which have been only initiated.

ZSMP which is particularly deeply rooted in the working class is a direct base for our party. It accompanies the party in its struggle and work. It becomes again the rising source of new young forces joining the party ranks.

There are three certain things. The first one is that hosts of young people who are gradually entering their maturity will live in Poland, with its history, present day, and conceivable future, in Poland and nowhere else. The second one is that they will live in socialism, in its definite shape determined by universal principles and home realities, by the effects of national work and the quality of operation of all social and economic mechanisms, in socialism and not in any other political system. And, finally, the third one is that they will live at the turn of the 20th century with all the chances and threats stemming from this, in that particular time and not at any other.

To well prepare for life, for work, for creating individual and collective prosperity in this spot, within this political system and at this time is the main objective of ideological and educational work.

Opponents of different sorts, demonstrating their hostility or practising it with hypocrisy of Moliere's Tartuffe, use various means to propagate myths and illusions, moods of hatred or apathy, and to revive concepts and figures which have irrevocably passed to history. Attempts are made to transfer traditions deprived of revolutionary and democratic contents to the present-day realities. All that the Polish left wing did for the homeland during its long history is being denied. The effects can be seen on the example of political degenerates, already few today, who give their young strength to the lost cause of the anti-state underground.

But one must not forget either about school students who instead of their curricula are secretly going through a brief course in anti-socialist nonsense, about university students who aspire to get minimum marks, about those workers who behave in a socialist enterprise like at forced labour establishment.

While countering the symptoms of political blindness you are fighting, along with the party, to prevent any of young people of your age from becoming a wreck. This is a national, patriotic, humanist and simply human dimension of this struggle.

Youth is often accompanied by exaggeration. But it would be a fatal mistake to be afraid of the youthful zeal, impetus, impatience, and revolutionary desire to change. This was proved by the periods when the known deformations produced the demand for artificially dressed and excessively polite ranks.

The party will provide you with a strong support in non-acceptance of bureaucracy and mismanagement, stagnation, moral corruption, obscurantism and stupidity.

The consolidation of people's state, development of socialist democracy, deepening of the rule of law equal for everybody is determined by the attitude of the manager who makes a wise use of his rights and scrupulously performs his duties. To speed up the process of growing up to assume this role is the basic direction of the socialist renewal.

The renewal requires a firm support for the process of increasing demands, starting from the execution of the fundamental principle that everybody should be solid in what he does.

We should bear in mind that a change brought about by justified criticism either in behaviour or a legislation, or leading to a personnel shake-up is but the beginning of a solution. What is of decisive significance is a consistent follow-up in practice, and primarily the weight of support which a new line of action or a new legal regulation wins.

Anyhow, let us not overestimate, let us not expect miracles from these or other laws and regulations. Laws certainly must be created, but they must also be changed if they do not secure a proper direction. We shall do that. But practice is always decisive and practice means man, his awareness and attitude. This particularly refers to the implementation of the economic reform. Only a consistent observance of its rules, primarily at enterprises, at every work stand, can produce expected results which are so needed by the country. And here again is a particularly good field for young people's activity, for reviving the motto -- "Youth with the reform" -- which has already become slightly covered with dust.

We will shortly submit these documents to public discussion. If this discussion confirms the social readiness to meet stringent requirements, to take up necessary burdens and limitations, and especially to make use of every reserve, not vaguely, generally, declaratively, but definitely, at one's own station, according to the bedrock principle "give to get", we will be most willing to revise these targets upwards. I can see no other way. Another way would simply mean wishful thinking and charlatantry.

The contemporary world poses a tremendous challenge before us. The technological race and scientific and technological revolution are under way. We must, amid thousand obstacles and pains, catch up with the running time which is measured today with generations of computers and highly integrated circuits, we must broadly apply industrial robots and develop chemicals and biotechnology on a larger scale.

We must fight for our everyday bread and look into the year 2000. Here, there is room primarily for those whom (enemies) tell that they are a "lost generation", that is young people with their knowledge, innovative thinking and ardour. The party expects that young people's spirit of innovation will make it possible to effectively cross stages of civilization and pave the way to progress for Poland.

There still exist numerous barriers to overcome, including those stemming from the absence of imagination, from soft-living, from some people's getting fossilized at various levels of power. This is what we are going to combat increasingly firmly.

But there are also barriers stemming from mistrust and apathy prevailing in numerous youth milieux. Nor can one pass in silence over signs of insufficient activeness, of some links of the youth movement secluding themselves, confining themselves to "convincing the convinced".

It is easy to say: red-tape is in the way, cliques make it difficult, louts cause waste, embezzlers take over. Just help set things in order. The formation of the worker-and-peasant inspection is also an invitation for the broad active of the ZSMP, for creating youth inspection brigades, for their bold, outright revolutionary activities. I state from this rostrum that such activity, activity "against the tide" will meet with our party's help and support.

But still, life incessantly reminds us of just how strictly conditional is work with young people on work with their teachers, how necessary are increased demands with regard to everybody whom the socialist state has entrusted with the responsible duty.

We do not want to act mentors, order you about or arrange the young ones as we would arrange decorations for actions, events and conferences. Nor do we want the party being copied. To be with the party in the implementation of its programme means to have one's own, open style of action, to talk to youth its language, to operate within the orbit of young people's feelings and sensitivity, viewpoints and aspirations.

Your congress is taking place on the eve of very significant anniversaries. Hence, it calls for historical, but also for present-day conclusions and reflections.

The first of these is that it was the combination of momentum with realism, ardour with persistence, that determined the realization of the chance by the generation of soldiers and partisans, pioneers of the western and northern territories, builders of Nowa Huta and Warsaw, of those putting into effect the agrarian reform, nationalization of industry, the struggle against illiteracy.

Another reflection applies directly to the 40th anniversary of the V-Day. For you, it is a textbook event. But this does not relieve you of the duty to remember it, to feel it, to entirely understand lessons and conclusions it involved.

Man's fundamental right is the right to life. A country which lost one out of every five citizens during World War II has a special right to call for peace, to charge the aggressive forces of imperialism with pushing the human race to the brink of a nuclear-missile catastrophe. It was this intention that motivated us while signing the protocol extending the duration of the Warsaw Treaty. Over the past 30 years it has been an unfailing shield of peace and security of nations of the socialist community. It continues to be a clear confirmation of our allied countries' will to continue the struggle for detente and dialogue in international relations.

For the young generation, peace is something natural, a value that exists, it is something that one simply breathes with day by day.

All the more so, in these conditions, one should be mindful of the need for its consolidation, of the duty of vigilance, of the constant readiness to defend the (?motherland).

A care-free "slumber" which sometimes happens here is promoted by the signs of fixing one's eyes on the West, which has its uncritical fans also in our country. We do not want to shut ourselves off from anybody. We should acquire what is useful from everybody, of course for the benefit of socialist Poland. In this context, the presence at this congress of guests who represent the leftwing youth movement from capitalist countries and their experience reminds us how much must be done to make every young Pole know what is hidden behind the facade of capitalist reality.

The most significant plane for exchanging achievements and experiences is friendship and comprehensive cooperation with the Soviet Union and other CMEA states. Reorientation towards them maps out a lasting prospect for actions and quests of your generation.

Many of you will soon meet representatives of fraternal youth organizations attending this congress at the festival in Moscow. Do not spare efforts to make the attitude and activity of Polish youth contribute to the full success of that great rendezvous.

Your congress is winding up debate on the eve of the International Labour Day. We are convinced that Polish patriotic youth will join in large numbers this year's May Day celebrations in an atmosphere of dignity, seriousness, respect for human effort. Nobody has the right to, nobody must disturb this atmosphere. Neither hostile forces from the outside, nor the followers of political masquerade at home.

On this occasion it is worth recalling that the latter's employers have recently extended human rights to cover also the right of the (Nazi) SS to blessed memory. But this is what our local hurrah-patriots and super-democrats prefer to not to mention. This is an embarrassing topic, just as embarrassing are various excesses of imperialism, racism, neo-colonialism. We condemn such a double-faced, ignominious attitude.

Two years ago I attended a youth conference (in Gdansk), and over a year ago -- a national debate of ZSMP working class active in Warsaw. I have again read the documents from those important meetings. It is true that not everything has proved possible to carry into effect. Not everything yet. But it would be unjust to see shortcomings alone. After all, how deeply has the situation changed over those past few years.

By learning and work in the most literal sense, you determine your own future. This is the future of Poland, the future of socialism.

'ANTI-POLISH' FILM 'SHOAH' PROTESTED IN PARIS

LD301914 Warsaw Television Service in Polish 1730 GMT 30 Apr 85

[Text] In connection with the growing anti-Polish campaign in France surrounding the film "Shoah," the French Charge D'affaires Toussaint Marcaggi has been summoned to the Ministry of Foreign Affairs and handed a sharp protest. At the same time it was stressed that the film contains insinuations which are insulting to the Polish nation -- insinuations which allege that the Polish nation collaborated in the Hitlerite genocide. The propagation of propositions of this kind contradicts obvious historical facts. This is why the status being afforded this film by the fact that the president of France and members of the government are attending its premiere must evoke all the greater surprise and indignation on Poland's part.

In making a resolute protest, the Polish side demanded a stop to these activities, which are damaging to mutual relations. It also demanded that the film should not be shown on French television.

[Unidentified correspondent] Two large Parisian cinemas -- the Monte Carlo in the Champs Elysees and the Logo Reffet in the Latin Quarter -- began screening today the first part of the film "Shoah."

In all interviews with the director, who for many years was a close collaborator of Sartre in the magazine LES TEMPS MODERNES, the so-called Polish matter keeps returning. Sartre's widow Simone de Beauvoir, who is a friend of Lanzmann [the film's director] says today in the LE QUOTIDIEN DE PARIS: I know, of course, that Poles were anti-Semites but in this film this was shown particularly eloquently. The LIBERATION LASPANOVIE notes that not all Poles behaved like this. Some would hide Jews and rescue them. That's right, says the director, but they remained Catholic, and Polish anti-Semitism is closely linked with Catholicism. And Lanzmann adds one more sentence: If the pope failed to protest against the extermination of the Jews, then one reason for this was that he realized that Poland was a deeply Catholic country and that hatred towards Jews had its roots in Christianity. I have selected all these quotes from Parisian newspapers, which have been exceptionally generous in their comment on the premiere of "Shoah."

[Unidentified voice in television studio] This is a real insult to everything that Poles and Jews did during the German occupation. I was lucky to be in the resistance, with the 35th brigade (?SDP Memoria), named after Marcel Langer. In 1943, Langer himself was caught in Toulouse, sentenced to death by the French court, and beheaded in a prison in Toulouse. The whole investigation into the activities of our brigade was not conducted by the Gestapo, but by the French collaborators. I think that the point here is to incite French public opinion before the trial of the war criminal Barbie -- who as we know was the head of the Gestapo in Toulouse and tortured Jews and Poles, and as some elements in France collaborated, they are now afraid today and are inciting public opinion. But it is surprising that it is the Poles who found themselves in the dock for crimes, for abuses, for collaboration performed by the French.

[Announcer] The protest against defamation of Polish society during World War II, against a clear falsification of history, has also been expressed by the war disabled and veterans of the struggle against the Nazis.

LCY CENTRAL COMMITTEE ANTI-INFLATION DOCUMENT

LD282321 Belgrade TANJUG Domestic Service in Serbo-Croatian 0500 GMT 28 Apr 85

["Anti-Inflation Document" -- TANJUG headline]

[Text] Belgrade, 28 Apr (TANJUG) -- The LCY Central Committee at its session on 26 April 1985 analyzed the ideopolitical questions on realizing the anti-inflation program. On the basis of the material, reports, and discussions, the LCY Central Committee adopted a document: The Attitudes of the LCY Central Committee on Realization of the Anti-Inflation Program and the Strategic Orientations and Immediate Actions Aimed at Reducing Inflation, as a Foundation for the United Ideopolitical Activity of the LC and All Other Socialist Self-Managing Forces in the Struggle Aimed at Curbing and Reducing Inflation, in Keeping With Consistent Realization of the Stabilization and Anti-Inflation Program and the Ideopolitical Orientations of the LC.

Introduction

The critical analysis of the realization of the anti-inflation program, the causes of its inconsistent realization, open ideopolitical issues, and the strategic orientations and immediate actions aimed at reducing inflation proceed from the Long-Term Program of Economic Stabilization, assessments, and attitudes of the 14th session and the conclusions of the 16th LCY Central Committee session.

The results achieved so far in the effort to realize the Long-Term Program of Economic Stabilization and the anti-inflation program as its component part are not satisfactory. There were no deeper changes in economic trends, in the development of self-managing relations, and in the behavior of economic and other social factors in line with the policy of stabilization. The fixed time limit for the first phase of the program of economic stabilization for carrying out numerous necessary changes in the economic policy and economic system has expired without all the necessary changes being carried out. The LC and all the socialist subjective forces in our society, despite the efforts involved and results achieved in some fields, did not undertake all the necessary measures and actions to carry out a prompt and resolute realization of the tasks of the long-term program. As a result of this, the Long-Term Program of Economic Stabilization is not being implemented in important fields and those parts of the program which are being implemented are being implemented slowly, with pronounced resistance and obstructions. The tendency to exacerbate the associated labor economic position is being continued.

In these conditions, the anti-inflation program is being inconsistently realized and many of its basic points are not being realized at all, which has resulted in the high rate of inflation turning into a major economic, social, and political problem, with negative consequences for the material development and the development of social self-managing, socioeconomic, and sociopolitical relations and processes in the country.

This has exacerbated even more the already threatened standard of living of a large number of workers and working people and their families; it has intensified numerous social problems; and it has accelerated the process of social division, bypassing the principle of distribution according to the effect of one's work. All this has led to the expansion of political dissatisfaction in the working class and among the population as a whole, and there is also a pressure to abandon what has already been started. The high rate of inflation encourages mistrust in the LC's ability and the ability of other socialist forces to organize successful implementation of the Long-Term Program of Economic Stabilization and ensure a way out of the present difficulties.

In keeping with the obligations established at the 16th LCY Central Committee session, such a situation calls for an immediate organized, planned, and united action in associated labor, all sociopolitical organizations, state and social organs, municipalities, republics, provinces, and the federation in the effort to carry out a fundamental critical assessment of implementation of the stabilization and anti-inflation program and particularly to undertake resolute measures and actions aimed at halting and gradually reducing inflation and at consistent realization of the aims and tasks of the stabilization and anti-inflation program.

It is necessary in this view to assess how self-managing and other social subjects fulfill their obligations and mutual responsibility in realizing the tasks and aims of the Long-Term Program of Economic Stabilization, particularly the anti-inflation program. There is also an indispensable need to find out to what extent these aims and tasks have been achieved and what lies behind the delay in realizing the necessary changes in the economic system and the development policy, in strengthening the unity of Yugoslav market, and in realizing other tasks set by the first phase of the Long-Term Program of Economic Stabilization. And there is a need to find out to what extent the measures of current economic policy and the activity of subjective factors contribute to implementing the tasks aimed at reducing inflation.

The LC's assessments, especially the ones contained in the conclusions of the LCY Central Committee and the LC leaderships of the republics and autonomous provinces, indicate that in the overall social activity, the action aimed at eliminating the basic causes and consequences of inflation is not sufficient and efficient, which is why the rate of inflation grows and has a destructive effect on overall development and on social relations.

The main point lies primarily in continuing to maintain the relations in which workers in the basic and other organizations of associated labor have a subordinate position in managing the overall income and surplus of their labor and in the failure to achieve their constitutional status and inalienable rights. There can be no reduction of inflation without basic changes in the economic system and economic and development policy, whose aim is to strengthen the role of workers in deciding on social reproduction and to strengthen the material position of the organizations of associated labor, to relieve economic income of various contributions and taxes, and to strengthen the economy's accumulative and reproduction ability. Inflation cannot be reduced without overcoming the credit over-indebtedness of the organizations of associated labor and the financial consolidation of the organizations of associated labor, without respecting economic regulations and market criteria, and without much greater efforts and results being achieved in associated labor aimed at increasing economic efficiency.

The anti-inflation program represents an integral and inseparable part of the Long-Term Program of Economic Stabilization and therefore it can only be realized and produce results within the framework of complete implementation of the Long-Term Program of Economic Stabilization. Our inflation is the result of deep disorders in the functioning of our economy and it is therefore necessary -- in the effort to eliminate them and to stabilize the self-managing movements and trends of production on a long-term basis -- to carry out changes in the economic system and change the development and economic policy on the basis of the consistent realization of self-managing relations in line with realization of the constitutional status of a worker in associated labor, respecting economic regulations and the planned orientation of socioeconomic trends and developments, and on the basis of a much wider involvement in the international division of labor.

Assessment of the Anti-Inflation Program Within the Framework of the Long-Term Program of Economic Stabilization

1. In the period since adopting the Long-Term Program of Economic Stabilization and within the framework of this and the anti-inflation program, definite positive results were achieved in economic trends, specially in 1984, under rather unfavorable internal and external conditions.

The results achieved in 1984 are manifested in: the end of several years of stagnation, the acceleration of economic activity through increasing production, above all in industry, but also in tourism; an increase in agricultural production; more coordinated relations in trade with foreign countries, increased exports with reduced imports, the realization of a trade surplus, the securing of the country's external liquidity while foreign debts were rescheduled; a definite improvement in the growth of work productivity and efficiency in economic activity, the reduction of too high a share of investments and a general and common consumption in social product; definite positive results achieved in the financial management of the associated labor economy in 1984, particularly the increase in providing resources for accumulation from income achieved in the associated labor economy in conditions of increased and excessive indebtedness, increased management costs, and reduced realistic income per employee; the introduction and application of realistic economic categories in socioeconomic relations; and a greater affirmation of economic laws and pressure in economic activity and the management of social subjects.

This is the result of the intensified efforts of the working class, agricultural producers and all the working people, the LC and all other socialist subjective forces, as well as of economic-policy measures taken in the struggle for implementation of the Long-Term Program of Economic Stabilization. The results confirm the rightness of the stabilization course and indicate that consistent implementation of the Long-Term Program of Economic Stabilization is the only policy which could secure further successful socioeconomic development and a way out of major economic difficulties, problems, and contradictions.

The results would have been far greater and more stable had all activities and measures toward achieving the goals and targets of the first phase of the stabilization program been undertaken in an integrated manner.

2. However, in spite of the positive results mentioned before, many major problems are becoming more acute, and the main expression and common denominator of these is high inflation, the increasingly difficult position of the working class, and the constant deterioration of the living standards of a considerable part of the population. This is primarily a consequence of slowness in attaining or failure to attain many essential goals and tasks which were laid down in the Long-Term Program of Economic Stabilization and the anti-inflation program. This relates in particular to the following:

The necessary changes in the economic system, which are an essential prerequisite for achieving the goals and tasks of the stabilization program, and the anti-inflation program also, have not been carried out as envisaged by the first phase of the stabilization program. By the end of 1984 the changes in the economic system relating to changes in the most important laws regulating the foreign currency system, the expanded reproduction system, the banking and credit system, the monetary system, and the planning system had not been put into operation. All this was postponed to the first quarter, or the first half of 1985.

Due to the low growth rate and increasing share of interest rates in income, as well as other causes, changes are not coming about to strengthen the material position of the worker in associated labor and management and his role in disposing of income and means of expanded reproduction.

Failure to realize the constitutional position of the worker and of associated labor in social reproduction is leading to a situation where the material position of associated labor is weakening year by year. The banking, credit, and monetary sphere is alienated from the worker in associated labor and is insufficiently active and flexible in terms of realising the stabilization policy.

There have been delays in drawing up a unified Yugoslav strategy of economic development, exports, technological development, power engineering development, and long-term social policy, for the difficulties are great and very few changes have taken place regarding the self-management organization of associated labor, whereas this is what should form the foundation for the country's joint development policy on the basis of self-management and the dominating influence of associated labor. The stabilization program is being carried out only slowly, or not at all, regarding strengthening the production and export orientation, ratifying and realizing joint export programs from the production of raw materials to final products, and in making more rapid changes in the economic structure and strengthening the efficiency of economic activity, developing agriculture, transport, tourism, and the artisan craft industry.

Tendencies toward fragmenting and isolating the unified Yugoslav market are being overcome too slowly, and there are difficulties in removing the barriers to the movement of goods, means, labor and expertise in this market, while monopolies continue to exert a strong influence, and on these bases income is increasingly being acquired outside of labor.

The system of distribution according to labor as the basic motivation for workers to use public funds efficiently in economic activity is being insufficiently developed and applied; too little work is being done in ensuring better rewards for productive and creative labor, while on the contrary, tendencies toward levelling are increasing in strength.

Internal material and other potentials in organizations of associated labor are insufficiently mobilized; in particular capacities, working capital and working labor productivity, improving the organization of business, and increasing the efficiency of economic activity as a whole is weak; reproduction costs are high and are not being reduced; and little use is being made of science and of modern technology and machinery.

The pricing policy is not being consistently carried out in accordance with the anti-inflation program. Administrative control of prices is abandoned whilst at the same time there is no development of a self-managing mechanism of price control. Nor are economic policy measures sufficiently oriented toward reducing inflation.

No qualitative changes are being made toward raising the economic efficiency of production capacities which have been built and toward eliminating the consequences of investment failures, although the situation is improving somewhat where new investments are concerned. There is an insufficient degree of linkage between banks, organizations of associated labour and other social subjects in regard to strengthening association of labor and means in order to increase production and exports.

The problem of losses in organizations of associated labor continues to be grave, and no adequate measures are being taken to ensure that losses are reduced, according to the stabilization policy.

Decisive measures are not being taken to reduce the overgrown social administration in organizations of associated labor and society as a whole.

This has all resulted in an excessive and unbalanced fall in real personal incomes and in the standard of living of working people; there has already been a continuous fall in workers' real personal incomes for 5 years, and the material existence of working people and citizens on low personal incomes is under particular threat.

3. All this together has had an unfavorable effect on the socioeconomic trends at the start of 1985. The goals and tasks of socioeconomic development in 1985 are not being attained in the following sectors of social reproduction in particular, namely:

-- Industrial production is at a level considerably below the planned level for 1985.

-- Economic exchange with foreign countries is far below the planned level and below that achieved in the same period last year, alongside an unfavorable import-export relations.

-- Inflation is rising fast, and prices are rising beyond the levels laid down by the policy, accompanied by marked spontaneous trends, a fall in real personal incomes, and increasing exacerbation of social problems: There is forceful pressure for even higher price rises.

-- There is increased pressure for fresh burdens upon the economic receipts through taxes and duties of sociopolitical communities.

The economic trends at the start of this year demand that everything possible should be done to make up for our falling so far behind and to achieve the tasks of economic policy for 1985.

-- The key question in the country at the present moment is the fight to accomplish the program of production, export and employment, to curb inflation, and to halt the fall of real personal incomes. The center of social activity therefore even more acutely focuses upon the need to carry out the tasks of the stabilization and anti-inflation programs as the prime task and foundation for the functioning of all self-managing and social subjects. In this regard implementation of the tasks laid down at the 14th and 16th sessions of the LCY Central Committee is one of prime urgency.

4. The inadequate and slow realization of the stabilization and anti-inflation programs is due to deep social causes, and hence inflation is not only an expression of the economic crisis but is also an expression of deeper social contradictions. In recent years there has been a reinforcement of etatism and bureaucratism at all levels. At the same time as conflicts between self-managing and etatist-bureaucratic tendencies have been becoming more acute, so conflicts between individual etatist-bureaucratic tendencies have been becoming more acute, especially those between the republics and provinces.

It has been acknowledged that realization of the stabilization and anti-inflation programs -- that is restructuring society from a bureaucratic-etatist and voluntarist way of conducting economic activity to a socialist self-managing economy -- while observing economic criteria in economic activity is a very difficult and complex social task that demands ideological unity and unity of action and the full involvement of all socialist subjective forces, self-managing organizations and communities, and sociopolitical communities and their organs and sociopolitical organizations, in particular the LC.

The economic stabilization program clearly pointed out, and its implementation hitherto only confirms this, that in our society the accumulated difficulties can be removed primarily through further development of socialist self-managing socioeconomic relations, which requires overcoming the relics of etatism, bureaucratism and technocratism.

This means that it is essential to strengthen the position of associated workers on the economic and political level and to squeeze out decisively the present positions of bureaucracy and technocracy, to affirm the principles of distribution according to labor, to bring about integration of the Yugoslav economy and of associated labor on self-managing bases, to bring about wider operation of economic patterns, and to strengthen the market mechanism and the plan orientation of socioeconomic development.

In a number of aspects of realizing the Long-Term Economic Stabilization Program, practice showed the material problems of the country to be graver than expected, that is, it showed material relations to be even more overextended than expected, which for its part also gave rise to a higher level of inflation. In the meantime a number of external factors have also hampered realization of the stabilization program -- primarily in terms of exacerbating inter-currency relations, and major changes on the world commodity and capital market, as an expression of attempts to resolve the consequences of profound critical disruptions at the expense of the developing countries.

In such conditions, socialist self-managing forces, headed by the League of Communists, have either been not ready, not organized, or not determined enough to achieve major changes in the existing social relations, socioeconomic and political system, economic and development policy, and the behavior of all social subjects involved in the activity aimed at full and consistent implementation of the stabilization program. This is why there was an indispensable need for the full organization and exceptional responsibility of all socialist self-managing forces, associated labor, delegate assemblies, their executive organs and sociopolitical organization.

There was also a failure to carry out appropriate organizational cadre and other adjustments in state organs, banks and other institutions of the system in the effort to successfully realize this important venture. Also lacking is sufficiently organized monitoring and analyses of the economic situation and effective measures and solutions in the field of economic system and policy, in connection with implementation of the Long-Term Program of Economic Stabilization. Insufficient organization in the effort to monitor the situation and, on the basis of that, to take measures and actions was also found at the level of the federation.

The responsible organs of sociopolitical communities and sociopolitical organizations did not achieve a sufficient level of organization in order to bear their share of responsibility for more consistent realization of the stabilization and anti-inflation program. Because of this -- but also because of wavering, slowness, a great deal of resistance, opposition to and minimization of these programs from various positions, and long and controversial debates in the effort to find individual solutions, measures, accords and agreements -- there were delays in connection with basic points of implementation of the stabilization and anti-inflation program, phase by phase, as had been envisaged. The LC leaderships, though they were constantly working towards implementation of the stabilization program and organizing important social activity at all levels, have not been determined enough in their efforts to realize the attitudes which they adopted in social practice and the whole of the system, which requires that such a situation be changed, in other words, the consistent implementation of ideopolitical conclusions. A large number of organizations and LC leaderships and other factors in society have not been organized enough or determined in their efforts to carry out a consistent realization of the LCY Central Committee's clearly defined attitudes on implementation of the stabilization policy and the development of self-management.

Apart from the objective difficulties in finding a solution for the crisis in the economic system and development policy, the main causes can be found in powerful relics of bureaucratic-etatist and technocratic awareness in the LC and in society on the whole.

They can be found in the domination of partial interests above common interests, and in striving to maintain monopolistic and privileged positions in the system, the economic policy, and realistic relations in society. This is largely due to the fact that the LC has not yet cleared away this kind of behavior and in view of this it consciously tolerates the manifestation of a distorted egoistic support for partial interests and neglects all the interests of the working class and the common interests of all the nations and nationalities, republics and provinces.

Due to this and to weaknesses manifested in the functioning of the socioeconomic system, there is a mutual isolationism and a clash of interests on a territorial basis, to everyone's disadvantage, the breaking of the unity of Yugoslav market and economic space, and confrontations on national, republican and provincial bases. The financial resources of banks become isolated and independent within these frameworks, which represent a particular danger for the development of socialist self-managing relations and for implementation of the constitutional status of associated labor. In addition to this, there are a lot of weaknesses in the work of organs in the federation republics and autonomous provinces and in their responsibility for real implementation of the tasks established in the stabilization policy. Such a situation is also exacerbated due to the fact that the LC did not, in the same way in which it unmasked the essence of the causes, adopt clearly defined attitudes and carry out a continuous and prompt organization of the activity in the effort to implement its attitudes and overcome the differences which led to obstructions and stagnation in the adoption of necessary economic measures and solutions in the economic system and in development policy, in other words, to overcome different views on basic questions in this area.

The economic policy itself has not recently acted sufficiently in the struggle against inflation, despite a number of measures taken in keeping with the stabilization program and the positive results achieved in this connection. The economic policy was also forced to act in a restrictive manner in view of a complex situation in the balance of payments, but it was able, to a greater extent, to encourage individual segments of the economy, whose development would not burden the balance of payments. Apart from a positive effect, a number of measures of the economic policy have not been selective and complete enough and they have not been oriented enough toward reducing inflation.

The realization of the stabilization and anti-inflation program was objectively bound to create more difficult conditions for economic activity. However, a failure to take complete and radical measures in order to take the burden from and financially consolidate the economy and the fact that some of the measures were incomplete, nonselective, unsynchronized and insufficiently coordinated with other measures, brought the economy into a more difficult situation than was necessary under the given conditions. Partly due to a greater complexity and seriousness in the economic situation in the country than was originally envisaged, partly due to strict requirements imposed by the IMF and other foreign creditors as well as a number of other aggravated international conditions, and partly due to subjective weaknesses, there were departures from the implementation of the basic methods of the anti-inflation policy formulated in the anti-inflation program. This, above all, relates to the following:

Achieving the anti-inflation program was to a great extent reduced to the policy of the realistic exchange rate of the dinar, realistic interest rates and other realistic economic categories, while at the same time all other economic measures and actions, envisaged by this program aimed at reducing inflation, have not been taken. Also, the economy was not prepared enough to be in such an economic situation as to be able to carry the burden of switching over to realistic economic categories. This is why the economic measures taken could not yield the expected results without implementing to the full the tasks formulated in the first phase of the stabilization program, and without applying all the measures and methods of the anti-inflation program.

Numerous measures have -- due to the overindebtedness of the economy and a failure to remove a burden from economic income as was envisaged -- become an unbearable burden on a great part of the economy and have influenced the growth of inflation.

The stabilization and anti-inflation program envisaged that the depreciation of the exchange rate of the dinar not be higher than the span of Yugoslav and the world rate of inflation (of the corresponding countries with developed market economies), so that the depreciation of the exchange rate of the dinar would be lower and lower due to the decrease in the rate of our inflation. However, the depreciation of the dinar's exchange rate was higher by comparison with the differences in the rate of inflation in 1983.

In 1983, apart from the previously mentioned causes and great economic difficulties which have been present for a long time, this has additionally contributed to strengthening inflation movements, intensifying particular economic and social difficulties and to a definite redistribution of income among individual parts of associated labor and between the social and private sector. In 1984 a dinar rate of exchange policy was followed approximately in accordance with the postulates of the anti-inflation program, but in the meantime strong consumer inflation set in. All this diminished the positive effects of the introduction of a realistic course for the dinar as an essential factor in rational conduct and stabilization policy. The economy was particularly hampered by the large rate of exchange differences, particularly in view of previously arranged loans from abroad and the fast growth of the dollar. With the stabilization and anti-inflation program we came out in favor of realistic interest rates. However, it was envisaged that the transfer to realistic rates of interest should be carried out primarily through the processes of strengthening the efficiency of economic operation, increasing the accumulative and reproductive capacity of the economy and by lowering the rate of inflation.

Bearing in mind a high level of credit overindebtedness in the Yugoslav economy, it has been assessed that a sudden coordinating of interest rates with the rate of inflation, in conditions of the high rates on inflation, led to difficulties in economy, the further weakening of its reproductive and accumulative ability and the increase in credit indebtedness, rescheduling of social income into a private sector, great material difficulties in numerous organizations of associated labor and in the economy of individual republics and provinces, and to other unfavorable economic and social consequences.

In view of the system and policy of prices, the stabilization and anti-inflation program has envisaged a gradual free formation of prices according to market conditions only at the end of a transitory period. In the meantime, there should be direct social control over prices that will be gradually lessened in respect to intensity. The Central Committee considered that only in such conditions can unnecessary effects of inflation be avoided and price relations established that will be in keeping with economic criteria to the greatest extent possible. However, a sudden switch to the free formation of prices in conditions of a serious lack of coordination in the economy and market, and a broad presence of monopolistic tendencies, without clear criteria for the policy and social control over prices and the adequate and organized social control over prices, has led to haphazard and uncontrollable movements in this field, a great increase in prices, and a consequently high inflation rate, new disturbances in the primary distribution of income, and great inroads into the people's living standards. A major cause of this is that not all of the necessary preparations have been made in associated labor, the economic chambers, municipalities, republics, provinces, and federation for the adequate implementation of the law on the social control of prices because it has been shown that many organizations of associated labor saw in this the opportunity to raise prices unjustifiably and were in no way prevented from doing so.

As a result of particularly great material imbalances, there have been shortcomings and deviations in the implementation of the agreed tasks of the anti-inflation program regarding the financial consolidation of the economy and banks, the strengthening of the economy's position, especially as regards the creation of conditions for significantly increasing the resources for the self-financing of organizations of associated labor, and the measures to stimulate the viability and efficiency of operation and to carry out the economically justifiable rehabilitation of loss-making organizations of associated labor.

The main reason for extra economic difficulties in the effort to implement the stabilization policy on the basis of applying the program and measures of the economic policy in agreement with the IMF is not so much in the application of these programs and measures as in the fact that along with these, other measures and actions have not been implemented as envisaged by the anti-inflation program and the first phase of the stabilization program, and in fact that the stabilization policy has not been implemented consistently and in full.

Within the framework of creating conditions for the realization of the aims and tasks of the Long-Term Program of Economic Stabilization, particularly in the struggle for settling economic relations with foreign countries, overcoming the balance of payments problems, and ensuring the country's external liquidity, our country engaged in an arrangement with the IMF to reschedule foreign debts. The demands and conditions that the IMF and other foreign creditors impose upon developing countries, our country included, have been and remain very severe. They differ from a rate at which the concept adopted by the anti-inflation program was to have been put into operation, particularly in view of reducing time limits for the application of individual measures of the economic policy. The application of a more severe stabilization policy on the basis of the program agreed between our country and the IMF, apart from positive results, has had an influence upon the intensification of economic difficulties in production, in the market, and in the increase of cost inflation, in these conditions of complex and difficult economic problems. Another fact influencing this was the critical reduction in the level of world economic activity from 1981 to 1983, as well as further disorders in the world market, together with strong protectionism by the developed countries of the West, exchange rate disorder, and high interest rates formed in the international capital market. All of this hindered our economic position and the realization of the stabilization policy. Recently the question has been raised of whether the anti-inflation program is sufficiently realistic when it envisages a significant reduction in the inflation rate over the 1982-1985 period. The trends in the rate of price increases since 1982 have gone contrary to the predictions of the anti-inflation program.

Not only has there not been a reduction in the rate of price increases, but instead a constant increase with the result that it is several times greater today than was envisaged. Even though the economic situation has been more complex than was originally imagined, if all the preconditions had been realized, all measures synchronized, and the activity on this course by the subjective forces as defined in the stabilization and anti-inflation program carried out, a certain reduction in the rate of price increases could have been achieved. However, these preconditions were not realized. Of fundamental importance is the fact that the turnabouts envisaged by the stabilization program were not achieved in the domestic economic trends. The poor results in the struggle against inflation are an integral part of the broader process in which the Long-Term Economic Stabilization Program, of which the anti-inflation program is an integral part, is not being implemented.

The concept of our socioeconomic system is based upon the self-management pooling of labor and resources and on the right of workers, in conditions where the market and economic laws and planning are operating, to decide on the conditions of earning and distributing income in the basic and other organizations of associated labor and, through the delegate system, in the broader self-management communities and society as a whole. Self-management integration is hindered by many obstacles, resulting in the failure to realize the worker's constitutional position, the strengthening of state interventionism, the prevalence of unbridled market forces, and other problems. To solve the accumulated economic problems, and particularly the inflation problem, we must revitalize the self-management economic system by strengthening its integrational forces at the economic and political level.

Strategic Guidelines and Immediate Actions To Reduce Inflation

The strategic and immediate guidelines for further actions to reduce inflation were laid down in the Long-Term Economic Stabilization Program and the anti-inflation program as an indivisible part of this.

Within this framework, immediate actions should proceed from the conclusions of the 14th and 16th LCY Central Committee sessions, which promulgated as priority tasks: a dynamic increase in output and increase in exports perceptibly above the growth of output, and more rapid employment of young people, on the basis of strengthening the qualitative factors of economic activity; ensuring the country's foreign liquidity and regular repayment of foreign debts; reduction of the economy's over-indebtedness by unburdening the economy and strengthening its accumulative capability; and halting the fall in the working people's standard of living in conjunction with corresponding worker motivation through the application of distribution in accordance with results of labor.

Increase in the Social Product and Exports

To attain these goals, developmental and economic policy must be supremely active in the attempt to bring about the essential increase in the social product by making the fullest and most coordinated use of the very great reserves and unutilized potentials that exist in all resources: in the economic capacities constructed, in fallow investments, in excessive turnover funds and their slow turnover, and particularly in the human factor and low labor productivity. Important opportunities for increasing production and exports are opened up by the linkage of organizations of associated labor, division of labor and specialization, and association of labor and means, in working out and implementing joint production and export programs.

Increasing the social product by increasing production and the quality of work must be the point of departure in suppressing inflation. The solution of economic development problems, including inflation, will be helped first and foremost by modernization of the technical and technological basis of economic organizations of associated labor, as a vital factor increasing their accumulative capacity and reducing operative costs, in particular the costs of energy, raw materials, and reproduction materials, and making the economy more capable of and better oriented towards competitive exports. This demands the appropriate adaption of solutions in the economic system and economic policy measures. Only in this way can there be a reduction in costs and progress made towards balancing goods and money relations without further restrictions on consumption.

Given the restricted balance of payments framework, and in order to increase the social product, general efforts must be made to increase production in organizations of associated labor. There must also be a bold increase in agricultural production, tourism, and the artisan craft industry in the sectors, both social and individual.

An increase in production will have a greater stabilizing effect insofar as it is accompanied by a corresponding increase in exports. Such an orientation must be backed by economic policy measures and appropriate imports. Increased industrial production, based upon greater imports made possible by export increases, must first and foremost be aimed at exports, particularly of capital goods and consumer durables production where the level of capacity utilization is the lowest.

Given the priority economic tasks emphasized above, the country's social product must move at a rate that guarantees stocks of goods and services intended for export, which is essential from the standpoint of effective inclusion in the international division of labor, the country's foreign currency liquidity, and reestablishment of its international credit worthiness, as well as to create new jobs to employ young people and to produce such domestic supply that the task of halting the further fall of the working people's living standard would be met.

It is essential for our economy to be more widely included in the international division of labor, based upon strengthening its overall export capacity on the criteria of the world market, the country's comparative advantages, and the long-term joint strategy of technological development.

The necessary room for maneuver will be established on this basis allowing the Yugoslav economy in the years ahead to give life to processes of structural changes required to step up the efficiency of economic operations and to boost export developments. This will have a bearing on balancing supply and demand on the market through expanding supply, while an impact will be made on the balance of payments by strengthening the export economy.

The Purchasing Power Policy

One of the fundamental directions of the economic policy action, in order to establish more stable relations on the market during the ensuing period, is the policy of purchasing power. The complexity of this policy in the 1985-90 period lies in the fact that action should be taken simultaneously to make economic activity more dynamic, to reduce inflation, to keep the balance of payments equilibrium, and gradually to reduce our country's indebtedness.

During the years ahead the growth of the nominal purchasing power of investors and of consumers should be slowed down. During each succeeding year this would gradually close the gap between developments as regards the nominal and the real social product, and it is precisely in this gap where the inflation charge is to be found that should be reduced more and more.

The policy of slowing down the nominal demand growth should be differentiated according to basic sectors. It is particularly indispensable that in the ensuing period a further growth in real personal income should not only be halted but that a tendency should be introduced to lead its growth up to the level of increased productivity of labor. In this connection it is indispensable to resolutely and consistently apply the principle of distribution according to results of work and to take efficient measures to prevent all forms of acquisition of income without reference to work and results of work. It should be stressed that in the period 1980-84 there was a sharp drop of real personal income that was a serious obstacle to stepping up the motivation factors without which it is difficult to establish the change from the extensive to the intensive economy, and this is the substance of the process of economic stabilization.

However, the population's real expenditure during this period was reduced by no more than 3 percent because the number of employees and pensioners increased and a considerable redistribution in purchasing power took place between the various categories of population.

During the ensuing period, by means of taxation and housing policy as efficient instruments of economic and social policy, the question of a more even burden on the population must be tackled in keeping with our economic strength and, in so doing, that section of the population must be borne in mind that is threatened most by the high rate of inflation. In this context it is necessary to work out and to consistently apply a whole number of measures of taxation and housing policy in all sociopolitical communities.

It would be dangerous to continue the tendency whereby important sections of the population have their real income considerably reduced and whereby their elementary existence is threatened, while at the same time specific categories of our population do not feel the difficulties associated with the higher rate of inflation at all. In these conditions, and because of an inadequate economic system and economic policy instruments and measures, one section of the population, speculating with foreign currency, building land, and accommodation is getting rich. This intensifies the social stratification of our society. At the 16th session of the LCY Central Committee the LC took on clearly defined ideopolitical stands and must consistently implement them. Any further delay in taking action on this level would have major social and political consequences.

Monetary policy is an integral part of the policy of demand that, by regulating the liquidity of the economy and of the banks, should operate toward establishing such rates of growth of purchasing power that will ensure both the intensification of economic activity and bringing down the rate of inflation. In this context, monetary policy can be efficient only if it is brought about by a selective bank credit policy that will support more efficient economic operations and differentiation between organizations of associated labor in keeping with their business results. Many other possibilities to curb inflation are available in this sector, such as reducing the artificial establishment of the purchasing power of the economy through fictitious bills of exchange and financing the stocks through money issue, that is to say, through a fictitious credit potential, foiling all the manipulations bringing about reciprocal nonpayment of commodity transactions, strict respect for legality in business transactions undertaken by organizations of associated labor and other social subjects, and the like.

Easing the Burden on the Economy and Consolidation of its Position

A planned reduction of its participation has been carried out in the sector of general and joint expenditure in accordance with social product. Nevertheless, certain reserves to reduce general and joint expenditure are available on the basis of quality transformation of these activities on the stabilization foundations that presuppose rationalization of the network of institutions, better organization of operations and business activity, and so on. Accordingly, constant tendencies and pressures to go back to overt or covert methods of getting the resources to step up general and joint expenditure must be borne in mind. But reserves are to be found in reducing enormous administration and social overheads, ranging from organizations of associated labor, chambers, banks, insurance institutions, self-management interest communities, the social accountancy service, administration, sociopolitical communities and organizations to the federation itself. In this context there is significant scope for easing the burden on the revenue of the economy and for reducing cost inflation. This question must be analyzed critically and practical measures taken as soon as possible in keeping with stabilization program orientations. In this sense concrete programs at all levels, and especially in sociopolitical communities, must be drawn up and carried out.

As far as improvement of the economic position of the economy and the increase of its share in the revenue is concerned, it must be stressed that all this strategic direction in implementing stabilization, including the reduction of inflation, are linked and interdependent with changes in the material-financial position of associated labor. This situation continues to get worse.

It is indispensable, therefore, to ease the burden on the revenue of the economy from all superfluous costs. In this context it is particularly important to radically reduce its indebtedness and dependence on the external finance sources, especially those based on credits.

What is particularly alarming is the great extent of short-term bank credits which the economy must use to finance current reproduction. This is the consequence of relations in the system of financial reproduction which must be changed. In addition to significant changes in the regime of the resources of the economy, the method of payment and organization of the payment trade, the method of crediting and organizing the banks, the measures to reduce the degree of the overall economic indebtedness, and dependence on banking resources are inevitable and should be made urgently in the case of short-term credits. The status of the banks' economic resources should be examined, and this applies particularly to the long-term deposits which will finance a variety of ventures. Without all these changes, the cost of interest will continue to have a very adverse impact on prices and on relations within the distribution; they will also encourage inflation.

Unified Yugoslav Market

Efforts to curb inflation cannot be successful unless the Yugoslav market is unified. The only means of payment on the market must be the dinar. Trade on the Yugoslav market must evolve in accordance with the prices established in the anti-inflation program. Regarding obligation relations, the market must be subject to strict action by the judiciary that operates according to standard criteria in the whole country. Surplus revenue earned thanks to special market advantages must be channelled consistently into consolidating the material basis of associated labor. In order for the market to fulfill its normal functions, organizations of associated labor that are not forced must operate in it in the name of a one-sided interpretation of the responsibility of the republics and provinces for their own economic development, to tie the use of their accumulated surplus unconditionally to "their" area.

Social control of prices by self-management and state organs constitutes important direct action to reduce inflation. It is an essential supplement to the policy of the purchasing power and a means of curbing structural inflation. In the year ahead, we cannot expect purchasing power to be balanced with supply on the domestic market, nor can we expect a satisfactory degree of the use of import substitution. It is therefore necessary for self-management and social organs to resort to social price control to prevent the attempt to abuse monopoly positions in price structure by some organizations of associated labor in economic groupings and branches of industry in conditions when the market mechanism is not in a position to make more harmonious price relations possible. Finally, in our conditions, inflation as a rule flourishes when the initial unjustified price increase is transferred from one economic grouping to other groupings and branches of industry.

However, during some ensuing years, social control of prices should be placed on a more flexible basis with maximum self-management consolidation and agreed substance regarding the establishment and implementation of the social control of prices, but also coupled with the use of specific control activities by social organs on this plane, within the ambit of their functions as established by the Constitution and legislation. During the years ahead, social price controls could be accepted not as a substitution for the activity of economic laws, but as an instrument that will make it possible for these laws to operate in conditions where the market is inadequately stable, where the habit of keeping production costs high and where rapidly transferring these costs to prices exist, that is to say, as an instrument for establishing relative price relations to guide development.

Our intention is to go in for free price formation according to market conditions. This requires an answer to a very important question: How to ensure efficient social price controls in keeping with the role and responsibility of associated labor and of socio-political communities at all levels and in keeping with our joint interests in dynamic and harmonious development. It is indispensable to constantly monitor market trends and take timely economic measures and actions to coordinate relations and eliminate disruptions on the market and suppress monopoly behavior.

The behavior of the economic operations subject must be influenced by economic instruments and measures within the framework of social price controls. The system of material reserves, that should mostly be the means, in the short-term, to balance supply and demand on specific commodity sectors of strategic significance to overcome structural factors in the formation of inflation processes, must be conceived in a different way. We should not allow a process of overall price increases to start, because there are temporary shortages of products in some key sectors, especially when one knows that the process of price increases, once started, will not be normalized even when a balance has later been established on the previously mentioned critical commodity sectors. Therefore, temporary product shortages in sensitive sectors should be covered from the established material reserves that will be replenished at a later date, and that, although temporarily reduced, will prevent new inflation of a structural type from starting.

It is essential for the unified Yugoslav market for banking to be free of its local and republican or provincial dependence. It is necessary for the concept of a bank to be in institutional terms a financial association of pooled labor and a commercial organization which, on the basis of economic criteria, takes part in the processes of optimum allocation of financial resources for alternative current economic operation or investment programs. Without this position of the bank as an institution, it is impossible for the economic parameters, such as rates of accumulation set against resources, interest rates, rates of exchange, and so on, to come into operation, and this is something that should have an important influence on the creation of a more favorable economic structure and the strengthening of efficiency in economic operations. No decision on major investments can be adopted without the workers' decision-making process.

It is important to prevent the banks and economy in general from lapsing into financial indiscipline and to make impossible the issuing and circulation of bills of exchange which are not backed by goods. The national banks system should control the actual application of economic criteria by commercial banks when extending credit to the economy.

There are very great opportunities for reducing inflation in the sphere of investment policy. Through the overall activity of the economic system and economic policy, and through the action of subjective forces, we must create the conditions for workers in associated labor to realize their rights, obligations, and responsibilities regarding the disposal and use of accumulation resources in overall social reproduction. On the basis of this, we must ensure the rational use of resources for investments in order to increase production and exports of high quality, to prevent the construction of economically unviable capacities, to significantly reduce the influence and role of socio-political communities in decisions regarding investments, to open up the maximum possible space for pooling labor and resources among organizations of associated labor in a unified Yugoslav market, and break up the administrative and other numerous barriers to these processes.

Consistent implementation of the orientations of the stabilization program regarding development of the foreign exchange system and the system of economic relations with foreign countries is an important factor in further strengthening the unity of the Yugoslav market and in reducing inflation. In this connection, we must urgently examine the proposed regulations and adopt solutions to ensure that: Workers in the basic organizations of associated labor and all other forms of pooling have, in the sphere of economic relations with foreign countries, the same socioeconomic position as in all social reproduction in general; the dinar is the only legal means of payment in the country; foreign exchange is used solely for payment in international transactions; the conditions are created for the functioning of the foreign exchange market and that all changes in the regulations in this sphere encourage producers, with the prospect of development and income, to increase exports and to expand foreign trade cooperation on the economically rational basis of a common development policy.

As factors that alter the structure of the Yugoslav economy's weaknesses, the exchange rate of the dinar and a realistic interest rate should be removed and moves toward the desired situation should be made through the combined action of market instruments and the effective functions of self-management planning. The policy of a realistic rate of exchange for the dinar and realistic interest rates, and realistic figures in other economic categories, should be consistently applied and developed in line with the stabilization program.

Among the ways of achieving positive structural changes in the economy, we should first stress the exchange rate policy which, in the coming period, should be put into operation through a realistic exchange rate in the way set out in the antiinflation program, which ensures a sufficient level of competitiveness for Yugoslav organizations of associated labor when exporting to the world market.

Economic policy measures as a whole should ensure that the revenue earned by exporters from exports should be equal to or higher than the revenue earned on the domestic market. The policy of a realistic foreign currency rate of exchange should ensure a constant process of structural adjustments in the economy in the sense that it will strengthen the export content of Yugoslav production. Economic development based on exports can be permanently tenable only on condition that we are dealing with economically rational exports on the basis of the application of world market criteria. To change economic structure in the direction of strengthening the export content of domestic production objectively speaking also means a higher level of inclusion of the Yugoslav economy in the international division of labor. Intensification of export activities would also have an impact on increasing overall domestic production on a rational basis. The substance of the process of strengthening the export content of Yugoslav production ultimately boils down to the transition from extensive to intensive economic operations.

It is understood that in implementing the realistic foreign currency exchange rate policy during the year ahead, one should see to it that the rate of exchange should not be depressed to a level which is economically not rational and which acts as a new source of cost inflation. This presupposes that within the ambit of our economic policy we should carry out an active rate of exchange policy which will gradually ensure the strengthening and not the weakening of the dinar rate of exchange.

The second instrument regarding the market implementation of structural changes in the economy is the policy of a realistic rate of interest, which in the final analysis should ensure a test of the degree of the profitability of production in conditions of self-management planning the socialist commodity production.

Implementation of the policy of a realistic rate of interest is an essential instrument concerning implementation of the stabilization policy and economic structure shifts in the sense of consolidating the participation of economically efficient organizations of associated labor capable of inserting themselves into more rigorous criteria of economic operations. The inclusion of organizations of associated labor into the policy of a realistic rate of interest is carried out by increasing economic efficiency in operating with social resources. However, warnings in the anti-inflation program that in the process of transition to realistic rates of interest, account should be taken of objective financial conditions in which the economy as a whole operates, and especially some of its sectors, are still very much to the point.

We must constantly bear in mind that the economy as a whole, and especially some of its factors, does operate at low rates of self-financing of fixed assets, so much so that it is excessively dependent on bank credits. In this context, it is necessary to examine and comprehensively discern the overall financial situation of the economy, especially its indebtedness due to bank credits and the weight of the rate of exchange and to other financial commitments, and to work out a comprehensive program of resolving these problems. The program would also be a basis for thorough revision of the existing value relations. It would contain many measures regarding financial consolidation of the economy and easing its financial burdens. This will remove the causes because of which the economy finds it difficult to accept the present burden of the rate of interest.

The demand should be examined whereby for all its financial services, namely the economy should get the rate of interest which is approximately the same as the rate of interest it is paying for its bank credits.

The policy of realistic interest rates should entail faster financial and structural adjustments in the economy in the sense of reducing various excessive business operations costs. Review of the existing technology of payment procedures and of bank credits and their promotion and rationalization must be speeded up in order to reduce the necessary amount of money to the level of the necessary amount of overall bank credits. The policy of realistic rates of interest will require further conversion of short-term money issue credits. It will also be necessary to devise new methods of increasing one's own fixed capital in the social economy in order to reduce its indebtedness with regard to the banks, and the same will apply to massive interest payments due to high rates of interest. It is therefore necessary first to adopt measures which will change relations in the use of fixed assets to the advantage of the economy, together with a program of measures which will bring about a more permanent change of these relations as a whole.

Planning and Integration

In conditions of the operation of market laws, planning becomes an unavoidable and increasingly important factor of our society organized along self-management lines and of a conscious direction of reproduction trends.

As far as self-management social and planned direction of economic development is concerned, one bears in mind especially the need to secure an adequate ration between accumulation and consumption in our society in order to ensure the kind of economic development which will be financed primarily from domestic sources of accumulation and especially from the accumulation obtained by organizations of associated labor. Also, in the ensuing period the system of self-management planning should operate actively in the sense of changing the economic structure in the direction of strengthening those sectors of the economy which are opening up conditions for faster development of the economy overall (energy, agriculture, etc). However, our policy of structural development must first and foremost stress faster development of the export economy on a rational basis, on the basis of using the economic criteria of the world market.

In order to secure a more resolute impact of social work on planned development and on the solution of macroeconomic problems of social reproduction, its self-management organization and cooperation must be rationalized and accelerated through business and planning cooperation communities and other forms of organization according to reproduction complexes.

For a harmonious and dynamic development of the Yugoslav economy as a whole, through pooling of labor and resources, especially in basic and infrastructure activities, the big systems must free themselves from their present territorial republican-provincial dependence. Formation of big systems in these activities, organized along self-management lines, would have an impact on the structure of the economy and on curbing inflation, especially cost inflation.

The Yugoslav social plan should also encompass the basic directions of the activity of the fund for providing the credits for the faster development of economically inadequately developed republics and provinces and the desirable directions of the implementation of joint investments with foreign partners.

Increasing the Efficiency of Economic Operations

Direct action to reduce inflation, on the basis of the stabilization program, should proceed also from the program for increasing the efficiency of economic operations in organizations of associated labor and also at the higher levels of self-management integration. In carrying out its commitments toward associated labor and toward the social community as a whole, every organization of associated labor is obliged to plan and carry out the programs for increasing the efficiency of its operations by increasing labor productivity, improving its organization, improving the structure of production, and establishing more efficient economic ties with organizations of associated labor on which they are dependent for reproduction. It is essential that every program for increasing the efficiency of economic operations, in whose establishment and implementation members of the work collective, workers' councils, and management structures have to take part, should concentrate on reducing the running costs of the operation and on raising labor productivity.

The program to increase the efficiency of economic operations should be established and implemented also at higher levels of self-management integration, especially in business banks, self-management interest communities, and various other integration mechanisms of the economy linked together along self-management lines. On the social plan, the material and financial effects of such programs should be checked on the basis of general economic balance sheets, the balance sheet of commodity-monetary relations, and especially the financial balance sheets, which is important in connection with the tasks of direct and continuous reduction in the inflation rate. Financial balance sheets of the economy should also become an objective basis for more accurately planning the instruments of economic policy, bearing in mind the Yugoslav economy as a whole but considering also the regions of the country, the republics, and the provinces and also the various areas and branches of the economy.

A considerably improved mechanism of responsibility -- both personal and collective -- could have a considerable impact on the efficiency of economic operations during the ensuing period. During the past period the inadequate mechanism of responsibility was an important factor which operated toward establishing an extensive economy virtually without risk to be run by the individuals and the organizations because all the risks are translated to society as a whole. Transition to an intensive economy should substantially change the responsibility mechanism.

The cadre policy in the ensuing period must make sure that the most capable and creative cadres fill the leading places of work in the economy and in society because success in the transition from the extensive to the intensive economy depends to a great extent on their professional knowledge and organizational ability.

Management organs and other workers with special powers and responsibilities in organizations of associated labor must be made responsible mainly to the workers and the workers' councils of the organization and to their sociopolitical community only as regards the legality of the operations of the organization and the fulfillment of legal commitments toward it.

Work and technological discipline in the ensuing period should be accelerated considerably because this condition is required for high efficiency of economic operations, for increasing labor productivity, and for the standard of living of the workers. Technical control of product quality must be considerably improved. In this context changes must be initiated in the self-management and legal regulations.

Remuneration according to results of work and management of social resources is one of the strategic levers in the mechanism of economic laws. The impact of economic laws should not penetrate only as far as organizations of associated labor, but should extend to every place of work. Legal enactments and self-management acts concerning those violations and work discipline and work relations, and concerning those who are irresponsible at work must be accelerated and, in so doing, the conditions created in which those who do not work cannot stay at their place of work. This is indispensable for getting the reciprocal effect flowing from the workplace to the organizations of associated labor, in the sense of more efficient production. Under existing conditions the differences between work contributions by workers within the framework of the organization of associated labor and contributions to the management of social resources as a rule influence in a very constricted way the differentiation of personal income. The impact of this is inadequate motivation for workers to achieve a high quantity and quality of associated labor, and is inadequate motivation for savings, innovations, etc.

There is the urgent task, proceeding from the stabilization program and the social accord on the basis of the earning and distribution of income, to adopt as soon as possible appropriate accords in the republics and provinces and self-management agreements and general acts in organizations of associated labor. All regulations and rules regulating these issues in organizations of associated labor and in sociopolitical communities must be reexamined and changed along this line.

Structural Changes, Employment, and Losses

Proceeding from the Long-Term Program of Economic Stabilization, the economic system has sharpened and will go on sharpening the conditions of business operations in the economy. The changes in the economic system will operate primarily toward strengthening market mechanisms and criteria and toward strengthening the role of self-management planning and self-management coordination of economic activity. Taken as a whole all this should have an impact on improving the quality of economic operations and securing, from the point of view of institutional mechanisms, the transition from extensive to intensive economy.

A more stringent social policy toward organizations of associated labor operating at a loss is an inseparable part of the anti-inflation policy. In a self-management, market-planned economy, organizations of associated labor must be more efficient in using social resources and labor. The continued socialization of losses either through reserve funds of sociopolitical communities or in some other way, objectively speaking, signifies the deceleration of the process of financial and structural coordination in the economy. This leads to retarded growth in the healthy segments of the economy which should pull the entire Yugoslav economy forward and operate toward creating a more efficient economic structure. Those organizations of associated labor which now operate at a loss, but have the prospect of economic development, should be supported, while those organizations of associated labor which have been operating at a loss for years and whose production has no market viability should be done away with, seeking fresh prospects for production programs and the employment of workers on a productive basis.

Through faster processes of financial and structural coordination, the organizations of associated labor which are suffering losses in their economic operation should overcome all the difficulties themselves. However, they should also continue to count on the support they would get from organizations of associated labor linked to them in reproduction and interested in their continued operation, the rehabilitation credit from banks, and the reduction of taxes and contributions which go to benefit sociopolitical communities and self-management interest communities. However, the anti-inflation policy demands also that the workers in the loss-making organizations receive lower personal incomes because otherwise there would not be sufficient personal economic motivation for overcoming the situation more quickly. If the organizations of associated labor cannot eliminate their losses within an acceptable time span, this means they are not manifesting enough economic vitality under the conditions of the self-management market planned economy and should be liquidated. Personal incomes for the temporarily unemployed workers would be provided from the resources in the joint reserve funds of associated labor within the framework of the sociopolitical communities.

The structural changes in the economy and the tightening of market criteria in economic operation will cause necessary structural changes in employment. This major social and economic question cannot be resolved merely within the framework of the organizations of associated labor. In connection with the structural shifts in the economy and social activities, the programs for structural shifts in employment must be fixed and carried out not only at the level of organizations of associated labor but also within the framework of individual branches and activities, municipalities, republics, autonomous provinces, and the federation. These programs for carrying out structural shifts in employment should be financed from funds especially formed through self-management procedure for this purpose. As part of these programs, courses for retaining workers would be financed, the employment of workers in new environments would be ensured, and some of the workers would be directed to the small-scale economy and individual agricultural farms. Together with the continued growth of production, income, and exports, the programs connected with the changes in the structure of employment should be a guarantee that the processes of structural changes and the introduction of new technologies should not lead to increased unemployment. The process of transferring from an extensive to intensive economy inevitably demands a change in the employment structure of the economy and social activities. The employment programs should support these structural changes in the economy and social activities and quickly ensure the reemployment of workers in a way which will increase labor productivity and the living standards of those in employment.

The Immediate Tasks of the LC and Other Socialist Subjective Forces in Implementing the Anti-Inflation Program.

1. The Central Committee considers the anti-inflation program to be an integral part of the Long-Term Program of Stabilization and believes it can be successfully realized as part of implementation of the stabilization policy as a whole. In this connection, the reduction of the inflation rate is one of the most important tasks of economic and development policy for the working class and all working people in associated labor and in the activity of the members of LC organizations and leaderships and all socialist self-management forces in this year and the coming years.

The Central Committee believes that objective material and other conditions exist for us to immediately begin the struggle to end and gradually reduce inflation in the coming period. As early as 1985 we must take relevant economic, social, organizational, and other measures and action to halt the growth of inflation and by 1990 reduce it to acceptable levels.

The LC must involve itself in this and other tasks of the stabilization and anti-inflation program and must mobilize all the working people in associated labor, self-management and social organs, the organs of sociopolitical communities, sociopolitical organizations, and all the socialist self-management forces.

The strategic directions for further social actions in reducing inflation are set out in the Long-Term Program of Economic Stabilization and the anti-inflation program. Their consistent and integral realization is the basic and only way in which to curb and reduce inflation, overcome the other major problems in socioeconomic development, and lay the foundation for dynamic and harmonious material and social development on self-management bases.

The Central Committee obligates Communists to make sure that in the medium-term plans of development for 1986-90 at all levels -- in organizations of associated labor, banks, economic chambers, self-interest communities, municipalities, provinces, republics and the federation -- specific and integral programs of activities and measures are worked out to reduce inflation significantly and realize the goals and tasks of the stabilization and anti-inflation program, in keeping with the ideopolitical orientations of the LC.

In order to achieve a dynamic and harmonious development and broader and more effective involvement in the international division of labor we must step up our efforts in the coming years to effect a transfer from an extensive to an intensive self-management economy. This presupposes that we attain more quickly the constitutionally prescribed relations of self-management, social ownership, and the decisive role of the working class and working people in associated labor in managing income and the processes of reproduction, that we resolutely overcome autarchy in the country and toward foreign countries, that we respect market laws, and that we reaffirm self-management planning.

At this critical stage of development it is important for Yugoslav society, the LC and all the socialist self-management subjective forces in it, to show full responsibility and the ability to quickly and radically alter the state of affairs in accordance with the formulation of the Long-Term Economic Stabilization Program and anti-inflation program. Every individual, every organization of associated labor, every sociopolitical community, and all social subjects will be put to a serious test. In this, the self-management integration of the economy and society, economic criteria, market mechanisms and self-management planning, pooling of labor and resources, free exchange of labor and self-management negotiation and social agreement-reaching on the stimulation of production and turnover, and the integration of social labor, must all play a very important role.

Communists in the organs and organizations in the federation are responsible for ensuring the soonest possible formulation and implementation of an integral program of measures and activities to effectively control and to gradually reduce inflation, strengthen coordination and unify the activity of all social factors in the federation and at all other levels and for systematically monitoring comprehensive implementation of the stabilization program, and taking the relevant measures and actions in time. In this, everyone must identify, establish, and implement his particular commitments, tasks, and responsibilities -- the SFRY Assembly, the FEC, the Economic Chamber of Yugoslavia, the Yugoslav Trade Union Federation Council, the SAWPY Federal Conference, the LCY Central Committee, and the LCY Central Committee Presidium, the central and provincial committees, the Socialist Youth League, and the relevant organs of the republics and provinces and other social factors.

2. Members, organizations, and leadership of the LC should, in keeping with the conclusions of the 14th and 16th LCY Central Committee sessions, involve themselves in a most resolute way in organizations and associated labor and in all sociopolitical communities and organizations to make sure the present practice of implementing the stabilization and anti-inflation program as a whole is analyzed comprehensively and critically. They should establish why many tasks and objectives of these programs are not carried out, they should sharpen the question of responsibility and secure all the necessary organizational, cadre, and other conditions to ensure that the stabilization and anti-inflation program is implemented faster and more consistently.

Proceeding from that and from the documents of the 17th LCY Central Committee session, LC members must provide the initiative and must help to ensure that a program of concrete activities and measures for consistent implementation of the stabilization and anti-inflation program is prepared urgently in all organizations of associated labor, banks, self-management organizations, and organs of all sociopolitical communities. The pace and the deadlines for implementation of individual tasks and the method of monitoring the implementation of the tasks that will make it possible for this to become a basis of overall political activity and mobilization of the working class and of the working people in the battle for stabilization must be laid down. This must become a basis for assessing and evaluating the work of every individual LC member, and of LC organs and organizations, for cadre solutions, and for differentiation in the LC and in society as a whole.

It is essentially important for the implementation of these programs that LC members, organizations, and leaderships in their ranks should more rapidly overcome the growing statist-bureaucratic and technocratic awareness, predominance of partial interests over joint and united interests, monopoly behavior, and similar manifestations, and more resolutely remove all the obstacles and barriers to the stabilization course that are powerful both in the LC and in our society, fighting for solutions and decisions in the system and in the economic policy which strengthen the position of the working class and of the working people in associated labor, in social reproduction, and SFRY unity.

Proceeding from the stabilization and anti-inflation program the most important thing now is for the Communists and other subjective factors to be involved so that a most extensive self-management and social action is pursued in all organizations of associated labor and all environments, and especially:

--to increase production, especially that earmarked for export, based on the use of big internal reserves and unused potentials existing in all economic areas and branches, production capacities, unactivated investments, inefficient use of fixed assets, reduced cost of business operations, inadequate use of cadres and professional know-how; a decisive attempt must be made to increase industrial and agricultural production, especially that earmarked for export, and develop tourism, the craft industry, housing, and local activities;

--to lay down and implement joint programs for production and exports, changes in the economic structure, and more extensive, efficient, and long-term inclusion in the international division of labor on the basis of joint planning and the pooling of labor and resources;

--to secure our country's foreign liquidity in 1985 and in the years to follow, regularly pay off debt installments, and reduce foreign debt;

--to halt a further fall of real personal income and open up a process of its growth in keeping with increased labor productivity and application of the principle of distribution according to the work done and redistribution to the advantage of productive and creative work and, on this basis, to strengthen workers' income motivation to step up production, income, and export;

--to implement the principle that all strata of our population should contribute to stabilization in proportion to their material possibilities. This implies assistance to those workers and families whose material existence has been threatened by the higher rate of inflation, and, with a more resolute taxation policy and other measures, to make it impossible for individual sections of our population to get rich on the basis of inflation and other forms of speculative acquisition of income;

--to ensure efficient economic policy operations toward intensifying economic activity, increasing exports, and bringing down the inflation rate, in which respect for the credit-monetary policy must be selective. It is vital that we take measures to reduce and frustrate the artificial creation of purchasing power through fictitious bills of exchange, money issued without proper cover, reciprocal nonpayment, nonobservance of legality in business operations, and the like;

--to ease the burden on the income of organizations of associated labor in the economy, that is, to ensure the redistribution of the income to the advantage of the economy; to halt the fall and create conditions for increased participation of the economy in the distribution of income; to immediately initiate actions to ensure a reduction in the degree of indebtedness, especially in the sphere of short-term credits; in keeping with this, the financial situation of the economy, especially its credit indebtedness, and the possibility of rescheduling and converting debts and consolidating the self-financing of the economy through fixed assets, the treatment of fixed deposits and other measures toward financial consolidation of the economy and of the banks, must be perceived as a matter of urgency; the bank should be transformed further into organizations of associated labor;

--to examine urgently and assess the effects of the application of the policy of a realistic exchange rate and of realistic interest rates on individual activities and on the branches of the economy of individual sociopolitical communities and to devise the possibility of mitigating or removing the unfavorable effects which make it impossible for the economy to operate successfully with the application of these instruments; the problems of exchange rate differences must be resolved with particular urgency;

--to establish as soon as possible, on a uniform basis, real financial balance sheets in the organizations of associated labor, banks, municipalities, republics, provinces, and in the federation and other subjects, and their reciprocal debts, together with the elimination of all fictitious and dubious elements, and in so doing establish the real foundations for planned development;

--to break down more resolutely all obstacles and resistance to the consolidation of the unity of the Yugoslav market and to eliminate the elements in the system and in our economic and development policy which brings this about;

--to adopt economic measures, especially those which have a bearing on improving the economic position of the economy and on reducing the cost of business operations, and also those which have an influence on coordination of commodity-monetary relations on the market; to arrest and discourage haphazard price trends with an active and selective economic policy, measures of direct price controls envisaged by legislation, and also by coordinated and organized action at all levels and in all environments, and wage a resolute struggle to halt and gradually reduce inflation and bring it down to an economically and socially acceptable level; in this connection speculations and irresponsible behavior on the market must be opposed more resolutely.

-- to sharpen the responsibility in connection with nonobservance of laws, regulations, and economic policy measures in the implementation of the social price control; to prepare in all appropriate organs and organizations, and especially in the chambers of economy, the expert basis to coordinate price relations which will be based on anti-inflation trends, especially as far as manufacturing prices are concerned; in order to overcome double behavior [as received], coordination between the chambers of the economy, the trade unions, management and executive organs of sociopolitical communities and of other social subjects must be ensured;

-- to coordinate the price of services within the framework of sociopolitical communities coupled with greater influence being exercised by consumers; to do this, mechanisms, rights, and responsibilities in implementing the agreed policy together with respect for economic criteria must be worked out;

-- to develop the broadest possible action for self-management concentration and association of labor and resources on the unified Yugoslav market proceeding from actual interest and reproduction links; to encourage the investment of resources in priority development directions in keeping with the joint development policy; to increase production, exports, and resolve the economic structure; to carry out the development programs, especially those channelled toward increasing exports together with the removal of administrative, regional, and other obstacles barring the way of these processes; to go on reviewing the investments to make it impossible for unprofitable capacities to be built, to reduce the construction deadlines, and substantially reduce the impact and the role of sociopolitical communities when deciding about investments;

-- to qualitatively transform social activities in the service of associated labor, of self-management links, of rationalization of the network of institutions, of better organization of work and business operations and the like; to prevent manifestations and pressure from again expending joint and general expenditure and making it go outside the stabilization framework; to reduce administration and overhead ranging from organizations of associated labor, banks, self-management interest communities, social accountancy services, insurance institutions, administration, sociopolitical communities and organizations up to the SFRY assembly;

-- to become involved in a most resolute fashion so that the operationalization of changes in the economic system in the sense of improving and changing the laws which regulate the foreign currency system, planning and banking, credit and monetary system can be finalized as soon as possible and the appropriate laws adopted in keeping with the Long-Term Program of Economic Stabilization;

-- to step up concrete and purposeful activities in the direction of further promotion of the self-management organization of associated labor overcoming fragmentation and encapsulation and opening up its broader integration on a Yugoslav scale on the basis of pooling labor and resources: this is the way to implement the decisive role of associated labor in controlling the trends of social reproduction and to eliminate many difficulties and contradictions;

-- to pursue the broadest possible social activity -- in associated labor, trade unions, sociopolitical communities and organizations, chambers of commerce and employment communities -- in order to split up the employment especially of young and professional cadres;

-- to lay down and carry out concrete programs of stepping up the efficiency of business operations of organizations of associated labor at all levels of organization with a view to intensifying work and technological discipline, affirmation of the most capable and creative cadres and elimination of idleness and life at the expense of others;

-- to support those organizations for associated labor that are sustaining losses but have prospects for development and at the same time resolutely to eliminate those organizations of associated labor that are sustaining losses and that which have no production or operation prospects with increased concern being shown for those workers who are left out of work in this way.

All these measures should serve to realize the stabilization and anti-inflation programs and through economic pressure force the economy to use social resources rationally. Competent organs must monitor the action and results of these measures, especially in the way they strengthen the position of the worker in associated labor in reproduction and affect the course of stabilization.

4. It is necessary for the leaderships of the LC in municipalities, republics, and autonomous provinces and for the LCY Central Committee and their executive political organs and all other social subjects to monitor the implementation of the stabilization and anti-inflation policy, to coordinate their ideopolitical action in curbing inflation and achieving the goals and tasks in the (?policy) of stabilization, and to stimulate the LC's activity and that of all the socialist subjective forces in this direction.

IMF APPROVES 1-YEAR STANDBY ARRANGEMENT

LD302000 Belgrade TANJUG in English 1518 GMT 30 Apr 85

[Text] Belgrade, April 30 (TANJUG) -- The Board of Executive Directors of the International Monetary Fund has approved a stand-by arrangement to Yugoslavia. The new one-year stand-by arrangement covers the period from May 1985 to May 1986. It will make it possible for Yugoslavia to 300 [as received] million dollars from the fund during the period.

REPORTAGE ON VISIT OF NICARAGUA'S DANIEL ORTEGA

Welcomed by Djuranovic

LD301103 Belgrade TANJUG Domestic Service in Serbo-Croatian 1043 GMT 30 Apr 85

[Text] Belgrade, 30 Apr (TANJUG) -- Daniel Ortega, president of the Republic of Nicaragua, arrived today for an official and friendly visit to Yugoslavia, which will last several days, at the invitation of the SFRY Presidency.

President Ortega and members of the Nicaraguan delegation were welcomed with the highest state and military honors and greeted at Belgrade Airport by Veselin Djuranovic, president of the SFRY Presidency. The Nicaraguan delegation was also welcomed by Dusan Alimpic, president of the SFRY Assembly; Dusan Ckrebic, president of the Presidency of the SR of Serbia; Dobrivoje Vidic, a member of the LCY Central Committee Presidium; Janez Zemljarić, vice president of the Federal Executive Council; and other personalities of the sociopolitical life of our country.

The official Yugoslav-Nicaraguan talks, which are due to begin this afternoon in the Palace of the Federation in Belgrade, will be devoted to a discussion of bilateral cooperation between the two nonaligned and friendly countries. Presidents Djuranovic and Ortega will also discuss the present situation concerning the international political and economic relations.

Ali Sukrija, president of the LCY Central Committee Presidium, is expected to receive Nicaraguan President Daniel Ortega.

Djuranovic, Ortega Talk

LD302209 Belgrade TANJUG Domestic Service in Serbo-Croatian 1917 GMT 30 Apr 85

[Text] Belgrade, 30 Apr (TANJUG) -- Veselin Djuranovic, president of the SFRY Presidency, and Daniel Ortega, president of Nicaragua, who arrived here today at the invitation of the SFRY Presidency for an official, friendly visit, held talks in Belgrade today. The talks focused on bilateral relations and the international situation. Both sides expressed their satisfaction with the meeting, which coincides with the emergence of subjects of interest to both countries.

In the course of the talks, views were exchanged about relations between the two countries, particularly in the sphere of the economy, and about the situations in Central America. The president of Nicaragua briefed his hosts on the situation in Nicaragua and Central America. President Ortega made particular reference to Nicaragua's efforts to safeguard the achievements of its revolution and its independence, and its efforts to overcome the existing difficulties, particularly the economic ones. Daniel Ortega informed his hosts about the difficulties confronting his country and about the aspects of the international economic situation unfavorable to Nicaragua.

President Ortega also spoke about increased pressures, particularly in the sphere of economy, on his country. The president of Nicaragua stressed that for Nicaragua the way out of these difficulties lies in the plans worked out by the Contadora Group. He also expressed his desire for a political dialogue within the framework of these initiatives. Ortega also touched upon the situation in Central and South America. He emphasized his country's efforts to safeguard the basic principles of its domestic policy -- political pluralism, a mixed economy and an independent foreign policy.

Dinner Toasts Proposed

LD302245 Belgrade TANJUG Domestic Service in Serbo-Croatian 1846 GMT 30 Apr 85

[Text] Belgrade, 30 Apr (TANJUG) -- Veselin Djuranovic, president of the SFRY Presidency, gave a dinner in the Palace of the Federation tonight in honor of Daniel Ortega, president of the Republic of Nicaragua.

During the dinner, which took place in a very warm and friendly atmosphere, they exchanged toasts.

After wishing the visitor from the friendly and nonaligned country a happy stay in Yugoslavia, President Djuranovic stressed that Yugoslavia has followed with sympathy the Nicaraguan people's courageous struggle for liberation from the Somozist dictatorship and the realization of full independence -- for the final victory of the Sandinist Front.

Djuranovic went on to say the following, inter alia:

"The peoples of Yugoslavia and the people of Nicaragua, each one of them in their specific and different historical circumstances, won freedom and independence with their own resources and took to the road of socialist development in their own distinct conditions that reflect their own identities.

At one time, we, too, experienced great hardships and were exposed to pressures from all sides. Today, we view your experiences in the defense of the revolution with deep understanding, which reminds us of our own past, which is still not very remote.

We also understand the problems that Nicaragua is now trying to overcome tackling its grave economic heritage and its efforts to preserve its independence. We are ready, as far as our capacity allows, to continue to extend support to your development programs. I also think that if both sides make an effort, we can enrich our cooperation with fresh, better forms; those that serve the welfare of your and our people, and represent the concrete realization of the important decisions made at nonaligned countries' meetings on firmer mutual links and reliance on our own resources.

"Highly developed cooperation between the nonaligned consolidates the positions of our movement and thereby also its influence in settling major international political and economic problems."

Djuranovic went on to say that "it is the desire, and in the interest of the vast majority of mankind, to live in peace, without pressure and hindrance. The aspiration for emancipation is permeating all peoples, regardless of their orientation. It is becoming increasingly difficult to impose one's will or domination, or maintain occupation of the state of war, at a time when growing resistance is offered by the peoples exposed to attempts to interfere in their internal affairs and to various forms of external pressures, and when there is growing public opinion against the powers that resort to them."

"Here again, I wish to reiterate Yugoslavia's support for the legitimate right of the people of Nicaragua to independence, territorial integrity and sovereignty, and to its inalienable right to choose its own way of development, Djuranovic said, and went on to add:

"Together with other nonaligned countries, Yugoslavia constantly strives for a peaceful political solution to the crisis situation confronting Central America through negotiations carried out with the participation of all the countries concerned. These principles are built into the vision and platform of the peaceful solution offered by the Contadora Group, and reflects a much wider mood and attitude of the entire continent of the present stage of its development and international relations.

"This desire for full emancipation and the protection of one's own interests and security can find their genuine expression precisely in the committed involvement of countries in the activities of the movement and the realization of the policy of non-alignment, which open new historical prospects in the struggle for peace, independence, and progress.

"This is why I lay stress on the need for cooperation and constant dialogue between non-aligned countries, inspired by dedication to the original principles of the policy of nonalignment, whose consolidation also guarantees the consolidation of the nonbloc independence role of the movement in international relations, and thus also the consolidation of both individual and joint security and independence. I am convinced that it is in this spirit that Yugoslavia and Nicaragua will face the movement's responsibilities in these complex international circumstances, intensifying cooperation with other non-aligned and all other countries so that relations of equality and free development in peace and security for all peoples can prevail in the world."

Replying to the toast, Daniel Ortega said:

"The Sandinist National Liberation Front and the government and people of Nicaragua are interested in promoting friendship and cooperation with the highest-ranking authorities and the working people of this country. This seems to us to be all the more important as Yugoslavia and Nicaragua have the same attitudes and common views on numerous international issues, especially those related to the struggle for peace, security, cooperation and nonalignment."

"Yugoslavia's foreign policy is a reflection of the revolutionary aspirations of its peoples and its political vanguard, who distinguished themselves in the struggle against the fascist occupiers. It should be recalled that Comrade Josip Broz Tito's role was of particular importance during the antifascist war. The victorious successes of the Yugoslav partisans contributed to the destruction of the expansionist plans of fascism, and provided a constant example of what people are able to do when imperialism threatens their vital rights," the Nicaraguan president said, and went on to add, *inter alia*:

Little Nicaragua, which was attacked and plundered during its rebellious history of struggle against oppression, has lost tens of thousands of its sons, not only in the struggle against the antinational Somoquist dictatorship, but also since the victory of 19 July 1979, when the people of Sandino became victims of arrogant military and economic aggression.

Over 8,000 Nicaraguans have died at our borders and in our mountains at the hands of the mercenaries of the Reagan administration, which resorts to the most incredible means in order to blame us for all the troubles in the world in order to justify its interventionism in this way.

To the Reagan administration the UN Charter, international law, statements by the non-aligned, legal, political and moral principles, the right to self-determination, national independence and peace, are not even of the slightest value where Nicaragua is concerned.

We are replying to this aggressive and irrational policy by resolutely defending our national sovereignty on all fronts. We are defending our young revolution in the field of battle and in the appropriate international forums.

At the same time Nicaragua is defending its right to make decisions on its own destiny in a free and sovereign manner." [closing quotation marks as received]

Daniel Ortega went on to say: "In Latin America, there is growing awareness of the fact that the United States is not only systematically violating the basic norms of international relations, but is also trying to legalize such an approach by proclaiming a new doctrine that represents nothing other than the undermining and destruction of the valid international legal order."

"The Government Junta of the Sandinist National Liberation Front and the revolutionary government highly value the resolute support our people are receiving from friendly countries, such as Yugoslavia, the nonaligned countries, and all other progressive countries.

"In this unequal struggle between Nicaragua and imperialism, we count on cooperation with the fraternal solidarity of the LC of Yugoslavia and the government and people of your fraternal country," Nicaraguan President Ortega said in conclusion.

KOSOVO PRESIDENCY ASSESSES SECURITY SITUATION

LD302113 Belgrade TANJUG Domestic Service in Serbo-Croatian 1422 GMT 30 Apr 85

[Text] Pristina, 30 Apr (TANJUG) -- The Presidency of the Socialist Autonomous Province of Kosovo found at its session today that the political and security situation in the province is growing stabler from day to day. But at the same time it drew attention to the still existing activity of Albanian nationalists and irredentists, who have been expressing their views by writing hostile slogans and leaflets.

The Presidency is reported to have established that all the subjective forces and participants in social self-protection had stepped up their activity and readiness to detect, counter, and defeat underground hostile activities. It was stated that the political and security situation in the province was exacerbated by pressure-induced emigration of Serbs and Montenegrins, though the rate of emigration is falling daily and the number of those returning to Kosovo has been increasing. The Presidency concluded that the struggle to halt the emigration of Serbs and Montenegrins should continue to be waged even more resolutely and that help from the SR of Serbia and the whole of the Yugoslav community is particularly important in this respect.

In connection with 9 May, Victory Day, the Presidency passed a decision granting amnesty to a number of convicted persons.

BRIEFS

BCP DELEGATION VISITS MACEDONIA -- Skopje -- A delegation of the Blagoevgrad Communal BCP Committee, headed by its under secretary, Vasil Poptodorov, visited Macedonian capital as part of international cooperation, as guests of the Skopje City LC Committee of Macedonia. Talk on future cooperation to be carried out upon the established principles of cooperation between the LCY and BCP and the SFRY and the People's Republic of Bulgaria, stressed the possibilities for expanding cooperation between the city organization of the Skopje LC and the communal organization of the BCP of Blagoevgrad, as well as with assemblies, sociopolitical organizations and associated labor. During talks, the delegation of the Skopje City LC Committee of Macedonia pointed to the negative consequences of the unchanged policy of Bulgaria toward the Macedonian national minority in Bulgaria and the Macedonian nation in general that are burdening relations between the two countries and that have a limiting effect on the entire cooperation of the two towns. At the end of the visit, a protocol was signed on cooperation for the 1985-1986 period in the fields of politics, economy, culture, and sports. [Excerpts] [Belgrade BORBA in Serbo-Croatian 12 April 85 p 6 AU]